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LEGISLATIVE HISTORY

Public Law 629--77th Congress

Chapter 449--2d Session

H. R. 6315

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DIGEST OF PUBLIC LAW 629

CONTINUATION OF REDUCED INTEREST ON LAND BANK AND COMMISSIONER LOANS.

Extends until July 1, 1944, the reduced interest rates on Federal land bank and Land Bank Commissioner loans, and includes contract and purchase-money mortgage transactions not to exceed an interest rate of 4%. (At the time of approving this legislation, the President issued a statement favoring legislation "to so simplify the pattern of the system as to eliminate its present, inherent inefficiencies, and thereby relieve the Treasury of the recurrent burden of these unnecessary costs" and stating "H. R. 6315 cannot ...be regarded as more than a palliative.")

INDEX AND SUMMARY OF HISTORY ON H. R. 6315

January 6, 1942 H. R. 6315 was introduced by Rep. Pierce and was referred to the House Committee on Agriculture. Print of the bill as introduced.

February 19, 1942 S. 2290 was introduced by Senator Wheeler and was referred to the Senate Committee on Banking and Currency. Print of the bill as introduced. (Similar bill).

May 18, 1942 House Committee reported H. R. 6315 without amendment. House Report 2133. Print of the bill as reported.

May 20, 1942 House Rules Committee reported H. Res. 485 for the consideration of H. R. 6315.

Senator Parkhead introduced S. 2544 which was referred to the Senate Committee on Banking and Currency. (Companion bill)

Senate Committee reported S. 2544 without amendment. Senate Report 1360. Print of the bill as reported.

May 26, 1942 House debated and passed H. R. 6315 as reported.

May 27, 1942 S. 2544 was indefinitely postponed in view of passage of H. R. 6315.

Senate debated and passed H. R. 6315 with amendments.

Senate Conferees appointed.

May 28, 1942 House Conferees appointed.

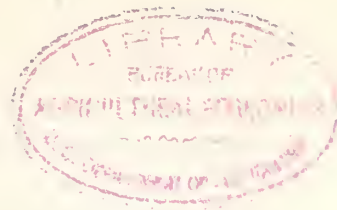
June 8, 1942 House agreed to the Conference Report. House Rept. 2217.

June 18, 1942 Senate agreed to the Conference Report.

June 27, 1942 Approved. Public Law 629.

77TH CONGRESS
2^D SESSION

H. R. 6315



IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 1942

Mr. PIERCE introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To extend for two additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) the first sentence of paragraph "Twelfth" of section
4 12 of the Federal Farm Loan Act, as amended (relating to
5 the 3½-per-centum-interest rate on Federal land bank loans),
6 is amended by striking out "occurring within a period of
7 seven years commencing July 1, 1935" and inserting in lieu
8 thereof "occurring within a period of nine years commencing
9 July 1, 1935".

10 (b) The fourth sentence of such paragraph "Twelfth"
11 (relating to the time limit on payments made by the United

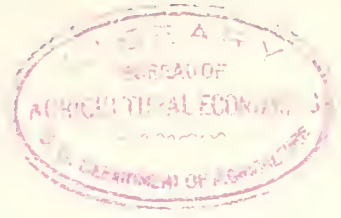
A BILL

To extend for two additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans.

By Mr. PERCE

JANUARY 6, 1942

Referred to the Committee on Agriculture



77TH CONGRESS
2^D SESSION

S. 2290

IN THE SENATE OF THE UNITED STATES

FEBRUARY 19 (legislative day, FEBRUARY 13), 1942

MR. WHEELER introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

A BILL

To further reduce for two additional years the interest rate on certain Federal land-bank loans, and on Land Bank Commissioner's loans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) effective July 1, 1935, the first sentence of para-
4 graph "Twelfth" of section 12 of the Federal Farm Loan
5 Act, as amended (relating to reduction in interest rates on
6 certain Federal land-bank loans), is amended by striking
7 out the following: "shall not exceed $3\frac{1}{2}$ per centum per
8 annum for all interest payable on installment dates occurring
9 within a period of five years, commencing July 1, 1935"
10 and inserting in lieu thereof the following: "shall not exceed

1 3 per centum per annum for all interest payable on install-
2 ment dates occurring within a period of nine years, com-
3 mencing July 1, 1935”.

4 (b) The fourth sentence of such paragraph “Twelfth”
5 (relating to the time limit on payments made by the United
6 States to land banks on account of such interest reduction)
7 is amended to read as follows: “No payments shall be made
8 to a bank with respect to any period after June 30, 1944”.

9 SEC. 2. The last paragraph of section 32 of the Emer-
10 gency Farm Mortgage Act, as amended (relating to reduc-
11 tion in the interest rate on loans by the Land Bank Com-
12 missioner), is amended to read as follows:

13 “Notwithstanding the foregoing provisions of this sec-
14 tion, the rate of interest on loans made under this section
15 shall not exceed 3 per centum per annum for all interest
16 payable on installment dates occurring on or after July 22,
17 1937, and prior to July 1, 1944.”

A BILL

To further reduce for two additional years the interest rate on certain Federal land-bank loans, and on Land Bank Commissioner's loans.

By Mr. WHEELER

FEBRUARY 19 (legislative day, FEBRUARY 13), 1942

Read twice and referred to the Committee on
Banking and Currency

He had a sense of humor that was fascinating, but he was motivated by a stern sense of duty which drove him to a service far beyond his strength. As one of the speakers said a moment ago, PAT BOLAND is a casualty of this war as truly as if he had fallen in the trenches at the battle front.

I watched him with profound appreciation and sorrow actually day by day laying down his life here for his country. It was only the other day that, troubled by his appearance of physical weariness, I went to him and besought him to go home and rest. When I walked away from him I thought of a little poem of my youth in which a vision of the closing hours of a good man's life and the welcome of his divine Redeemer was presented by the good New England poet:

And when in life's late afternoon,
Where cool and long the shadows grow,
I walk to meet the night, that soon
Shall shape and shadow overflow.
Shall I not see Him waiting stand,
And, white against the evening star,
The welcome of His beckoning hand?

PAT saw that heavenly vision this morning. God rest his soul. And God help us who are left to join ranks in rededicating ourselves, as he did, to the great cause of our country and of the world at this tragic moment, and to be as worthy as he was when the final call comes to us all.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their own remarks on the passing of our late beloved colleague.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

The SPEAKER. Later in the day the Chair will appoint the funeral committee and have their names published in the Record.

The question is on the resolution.

The resolution was agreed to.

The SPEAKER subsequently announced the appointment of the following Members of the House to attend the funeral: Mr. DOUGHTON, Mr. TREADWAY, Mr. BARNES, Mr. DINGELL, Mr. WOLFENDEN of Pennsylvania, Mr. KINZER, Mr. RICH, Mr. DITTER, Mr. FADDIS, Mr. SNYDER, Mr. WALTER, Mr. HAINES, Mr. BRADLEY of Pennsylvania, Mr. EBERHARTER, Mr. JARRETT, Mr. McGRANERY, Mr. MOSER, Mr. SACKS, Mr. SIMPSON, Mr. FENTON, Mr. GERLACH, Mr. GRAHAM, Mr. KUNKEL, Mr. MYERS of Pennsylvania, Mr. RODGERS of Pennsylvania, Mr. SHERIDAN, Mr. TIBBOTT, Mr. VAN ZANDT, Mr. GILLETTE, Mr. KELLEY of Pennsylvania, Mr. SCANLON, Mr. SCOTT, Mr. SMITH of Pennsylvania, Mr. WEISS, and Mr. WRIGHT.

The SPEAKER. The Clerk will report the remainder of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect the House do now adjourn.

The resolution was agreed to; accordingly (at 12 o'clock and 58 minutes p. m.)

the House adjourned until tomorrow, Tuesday, May 19, 1942, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Tuesday, May 19, 1942)

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, May 19, 1942.

Business to be considered: The hearings in connection with the Federal Communications Commission will be resumed on May 19 at 10 a. m.

(Wednesday, May 20, 1942)

There will be a meeting of the Special Subcommittee on Petroleum Investigation of the Committee on Interstate and Foreign Commerce at 10 a. m. Wednesday, May 20, 1942.

Business to be considered: Hearing as per attached press release.

Today Representative CLARENCE F. LEA, chairman of the Interstate and Foreign Commerce Committee of the House of Representatives, announced a hearing to be held next Wednesday, May 20, by the Special Subcommittee on Petroleum Investigation.

The purpose of the hearing is to develop three phases due to shortage of supplies of petroleum products and rubber.

The first purpose is to develop the facts as to what is being done to provide petroleum products to sections of the country where there are now shortages.

The second purpose is to bring out the facts as to what is actually being done to meet the Nation's need of rubber and rubber substitutes in view of the shortage of the rubber supply.

The third purpose is to develop the facts as to the dislocations and economic consequences that result from deficient supplies of petroleum and rubber and to consider how the effect of such dislocations can be minimized.

Representatives of Government departments and others will appear as witnesses before the hearing on these questions is completed. The hearing will begin Wednesday and it is expected will be continued in 2 other days within the next 10 days.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1638. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 7, 1942, submitting a report, together with accompanying papers, on a preliminary examination and survey of the Gilmore Creek, Winona County, Minn., authorized by the Flood Control Act approved on August 28, 1937; to the Committee on Flood Control.

1639. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 6, 1942, submitting a report, together with accompanying papers, on a preliminary examination of the Hobolochitto River, Miss., authorized by the Flood Control Act approved on August 11, 1939; to the Committee on Flood Control.

1640. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 21, 1942, submitting a report, together with accompanying papers, on a preliminary examination and survey of the Green River and

tributaries; Wyoming, authorized by the Flood Control Act approved on June 22, 1936; to the Committee on Flood Control.

1641. A communication from the President of the United States, transmitting amendments to the 1943 Budget for the Federal Security Agency and the Department of Labor (H. Doc. No. 724); to the Committee on Appropriations and ordered to be printed.

1642. A communication from the President of the United States, transmitting an amendment to the 1943 Budget for the Federal Security Agency (H. Doc. No. 725); to the Committee on Appropriations and ordered to be printed.

1643. A letter from the Administrator, Veterans' Administration, transmitting a draft of a proposed bill to amend subsection 3 of section 602 (d) of the National Service Life Insurance Act, as amended, and for other purposes; to the Committee on Ways and Means.

1644. A letter from the Secretary of War, transmitting a draft of a proposed bill to amend the act entitled "An act authorizing vessels of Canadian registry to transport iron ore on the Great Lakes during 1942; approved January 27, 1942 (Public Law 416, 77th Cong.), to continue it in force during the existing war; to the Committee on the Merchant Marine and Fisheries.

1645. A letter from the Archivist of the United States, transmitting a list of papers for disposition by him from certain agencies of the Federal Government; to the Committee on the Disposition of Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committee were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. PIERCE: Committee on Agriculture. H. R. 6315. A bill to extend for 2 additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans; without amendment (Rept. No. 2133). Referred to the Committee of the Whole House on the state of the Union.

Mr. CANNON of Missouri: Committee on Appropriations. House Joint Resolution 314. Joint resolution making an additional appropriation for the marine and war-risk insurance fund; without amendment (Rept. No. 2134). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. THILL:

H. R. 7094. A bill to prevent the spread of false information in political campaigns; to the Committee on the Judiciary.

By Mr. BONNER:

H. R. 7095. A bill to increase the efficiency of the Coast and Geodetic Survey; to the Committee on the Merchant Marine and Fisheries.

By Mr. BLOOM:

H. R. 7096. A bill to provide for the settlement of claims of the Government of the United States on behalf of American nationals against the Government of Mexico comprehended within the terms of agreements concluded by the United States and Mexico; to the Committee on Foreign Affairs.

By Mr. RANDOLPH:

H. R. 7097. A bill to amend section 1 of the act entitled "An act to authorize the Phila-

delphia, Baltimore & Washington Railroad Co. to extend its present track connection with the United States navy yard so as to provide adequate railroad facilities in connection with the development of Buzzards Point as an industrial area in the District of Columbia, and for other purposes," approved June 18, 1932 (47 Stat. 322), as amended by the act approved June 20, 1939 (53 Stat. 849); to the Committee on the District of Columbia.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MACIORA:

H. R. 7098 A bill for the relief of Norfolk Plumbing & Heating Co. et al.; to the Committee on Claims

By Mr. ROBERTSON of North Dakota:

H. R. 7099 A bill for the relief of the Callan Funeral Home; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2620. By Mr. FITZPATRICK: Petition of the Westchester County (N. Y.) Volunteer Firemen's Association, to have volunteer firemen who in the course of their duty use their automobiles to attend fires and drills given special consideration in the proposed rationing of gasoline, in order that their efficiency may not be impaired or insufficient fire service rendered; to the Committee on Ways and Means.

2821. By Mr. GRAHAM: Petition of Rev. Ernest R. Anderton, pastor, and 42 members of the Presbyterian Church of Aliquippa, Pa., urging the early passage of Senate bill 860, to provide for the common defense in relation to the sale of alcoholic liquors to the land and naval forces of the United States, and to provide for the suppression of vice in vicinity of military camps and naval establishments; to the Committee on Military Affairs.

2822. Also, petition of L. C. Shane, superintendent, Raccoon United Presbyterian Sunday School, of Aliquippa, Pa., and 34 citizens of Beaver County, urging an early passage of Senate bill 860, to provide for the common defense in relation to the sale of alcoholic liquors to the land and naval forces of the United States, and to provide for the suppression of vice in vicinity of military camps and naval establishments; to the Committee on Military Affairs.

2823. Also, petition of 31 members of the Women's Christian Temperance Union of New Castle, Lawrence County, Pa., urging the passage of Senate bill 860, as a contribution to a wholesome defense program and a re-enactment of legislation similar to that of 1917 and so give to the young men of 1942 the protection their fathers had in 1917; to the Committee on Military Affairs.

2824. Also, petition of 78 members of the First Methodist Episcopal Church of Beaver, Pa., urging the early passage of Senate bill 860, to provide the largest possible protection for the men in our Army and Navy against the insidious influence of vice and intoxicating liquors; to the Committee on Military Affairs.

2825. Also, petition of Rev. George Grant, pastor, and 49 members of the Baden (Pa.) Methodist Church, urging an early passage of Senate bill 860, to provide for the common defense in relation to the sale of alcoholic liquors to the land and naval forces of the United States and to provide for the suppression of vice in vicinity of military camps and naval establishments; to the Committee on Military Affairs.

2826. Also, petition of 25 residents of Slippery Rock, Butler County, Pa., deploring the sale and gifts of liquors to our boys in camps and in the Army, respectfully urging that the Members of Congress do everything in their power to prohibit its use in the Army and Navy and help honor mothers by assuring them that their boys will not become drunkards while answering their country's call; to the Committee on Military Affairs.

2827. By Mr. LECOMPTE: Petition of sundry citizens of Seymour, Iowa, urging cooperation with the Federal authorities in tightening law enforcement around military, naval, and other training camps and in joining a national defense movement against prostitution and liquor; to the Committee on Military Affairs.

2828. Also, petition of sundry citizens of Allerton, Iowa, in the interest of preventing the sale or gift of intoxicating liquors, including beer, to soldiers and sailors in uniform; to bring about the discontinuance of the sale of beer in Government commissaries; to create dry zones around military and naval establishments; to set up dry zones around industrial establishments in which airplanes, ships, tanks, arms, and equipment must be produced with the utmost precision and speed for the support of the armed forces; to the Committee on Military Affairs.

2829. Also, petition of sundry citizens of Eldon, Agency, and Ottumwa, Iowa, deploring the use of sugar in the making of alcohol to be placed near the Army and Navy camps of our boys in service; to the Committee on Military Affairs.

2830. Also, petition of sundry citizens of Mount Ayr, Iowa, in the interest of preventing the sale or gift of intoxicating liquors, including beer, to soldiers and sailors in uniform; to bring about the discontinuance of the sale of beer in Government commissaries; to create dry zones around military and naval establishments; to set up dry zones around industrial establishments in which airplanes, ships, tanks, arms, and equipment must be produced with the utmost precision and speed for the support of the armed forces; to the Committee on Military Affairs.

2831. By Mr. MARTIN of Iowa: Petition of Rev. Lester H. Bill, pastor of the Methodist Church, Crawfordsville, Iowa, and the people of the Methodist Church, urging the prohibiting of liquor and prostitution around our Army and Navy camps and cantonments; to the Committee on Military Affairs.

2832. By Mr. ROLPH: Resolution of the Motion Picture Projectionists of San Francisco, supporting postal employees bill (H. R. 6486); to the Committee on the Post Office and Post Roads.

2833. By Mr. WOLCOTT: Petition of 124 citizens of St. Clair, Mich., urging enactment of Senate bill 860; to the Committee on Military Affairs.

2834. Also, petition of 64 citizens of Harbor Beach, Mich., urging enactment of Senate bill 860; to the Committee on Military Affairs.

2835. Also, petition of 22 citizens of Bloomfield and vicinity, Huron County, Mich., expressing interest in Senate bill 860 and urging its enactment; to the Committee on Military Affairs.

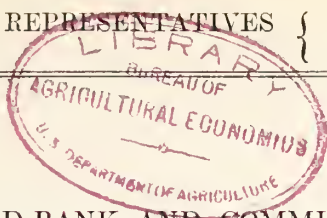
2836. Also, petition of 34 residents of Sandusky, Mich., urging the enactment of Senate bill 860; to the Committee on Military Affairs.

2837. By the SPEAKER: Petition of W. G. Martin and J. Dale Curry, of Santa Ana, Calif., petitioning consideration of their resolution with reference to Senate bill 860, relative to the exploitation of the men in the United States Army and Navy; to the Committee on Military Affairs.

2838. Also, petition of the American Legion, Memphis Post, No. 1, of Tennessee, petitioning consideration of their resolution with reference to commissions in the armed forces; to the Committee on Military Affairs.

2839. Also, petition of the General Federation of Women's Clubs, Washington, D. C., petitioning consideration of their resolution with reference to appropriations for the Children's Bureau; to the Committee on Appropriations.

2840. Also, petition of the Pennsylvania Grocers Association, Philadelphia, Pa., petitioning consideration of their resolution with reference to price control; to the Committee on Banking and Currency.



INTEREST RATE ON LAND-BANK AND COMMISSIONER LOANS

MAY 18, 1942.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. PIERCE, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H. R. 6315]

The Committee on Agriculture, to whom was referred the bill (H. R. 6315) to extend for 2 additional years the reduced rates of interest on Federal land-bank and Land Bank Commissioner loans, having considered the same, report thereon with a recommendation that it do pass.

STATEMENT

Under existing law, a maximum interest rate of 3½ percent is in effect on farm mortgages made by Federal land banks through national farm-loan associations, or agents, or purchased from joint-stock land banks by Federal land banks if such mortgages were outstanding in the hands of a Federal land bank on May 12, 1933 (the date of enactment of the Emergency Farm Mortgage Act of 1933). The same rate applies to loans made by the banks through farm-loan associations since then. Under existing law, that reduced rate terminates on all such mortgages on July 1, 1942. Similarly, under existing law, the so-called Land Bank Commissioner's loans are subject to a maximum 3½ percent interest rate, which expires July 1, 1942.

The Congress has on three previous occasions provided for the extension of the provision for reduced rates above referred to, the last act being Public, 672 of the Seventy-sixth Congress, approved June 29, 1940. The purpose of the reported bill is simply to extend the provisions of that act for 2 additional years, or until July 1, 1944.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed

in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in *roman*).

Federal Farm Loan Act, as amended, section 12, paragraph "Twelfth", first four sentences:

Twelfth. Notwithstanding the provisions of paragraph "Second", the rate of interest on any loans on mortgages made through national farm-loan associations or through agents as provided in section 15, or purchased from joint-stock land banks, by any Federal land bank, outstanding on the date this paragraph takes effect or made through national farm-loan associations after such date, shall not exceed $3\frac{1}{2}$ per centum per annum for all interest payable on installment dates *[occurring within a period of seven years commencing July 1, 1935]* *occurring within a period of nine years commencing July 1, 1935*; and no payment of the principal portion of any installment of any such loan outstanding on the date of the enactment of the Farm Credit Act of 1935 shall be required prior to July 11, 1938, if the borrower shall not be in default with respect to any other condition or covenant of his mortgage. The foregoing provisions shall apply to loans made by Federal land banks through branches, except that the rates of interest paid for the respective periods above specified shall be one-half of 1 per centum per annum in excess of the rates of interest paid during the corresponding periods by borrowers on mortgage loans made through national farm-loan associations. The Secretary of the Treasury shall pay each Federal land bank, as soon as practicable after October 1, 1933, and after the end of each quarter thereafter, such amount as the Land Bank Commissioner certifies to the Secretary of the Treasury is equal to the amount by which interest payments, on mortgages held by such bank have been reduced, during the preceding quarter, by reason of this paragraph; but in any case in which the Land Bank Commissioner finds that the amount of interest payable by such bank during any quarter has been reduced by reason of the refinancing of bonds under section 32 of this Act, the amount of the reduction so found shall be deducted from the amount payable to such bank under this paragraph. No payments shall be made to a bank with respect to any period after June 30, *[1942]* 1944.

Emergency Farm Mortgage Act of 1933:

REDUCTION OF DEBTS AND REDEMPTION OF FORECLOSED FARMS

SEC. 32. The Reconstruction Finance Corporation is authorized and directed to allocate and make available to the Land Bank Commissioner the sum of \$200,000,000, or so much thereof as may be necessary, to be used for the purpose of making loans as hereinafter provided to any farmer, secured by a first or second mortgage upon the whole or any part of the farm property, real or personal, including crops, of the farmer. The amount of the mortgage given by any farmer, together with all prior mortgages or other evidences of indebtedness secured by such farm property of the farmer, shall not exceed 75 per centum of the normal value thereof, as determined upon an appraisal made pursuant to the Federal Farm Loan Act, as amended; nor shall a loan in excess of \$7,500 be made to any one farmer. For the purposes of this section, farm property may be valued at an amount representing a prudent investment, consistent with community standards and rentals, if (1) the person occupying the property is not entirely dependent upon farm income for his livelihood but receives a part of his income from other dependable sources, and (2) the farm income from the property, together with earnings from other dependable sources ordinarily available in the community to a person operating such property, would be sufficient to support his family, to pay operating expenses and fixed charges, and to discharge the interest and amortization payments on the loan. Every mortgage made under this section shall contain an agreement providing for the repayment of the loan on an amortization plan by means of a fixed number of annual or semiannual installments, sufficient to cover (1) interest on unpaid principal at a rate not to exceed 5 per centum per annum and (2) such payments equal in amount to be applied on principal as will extinguish the debt within an agreed period of not more than ten years, or, in the case of a first or second mortgage secured wholly by real property within an agreed period no greater than that for which loans may be made under the Federal Farm Loan Act, as amended, from the date the first payment on principal is due: *Provided*, That when in the judgment of the Land Bank Commissioner conditions justify it, any mortgage made under this section may provide that during the first three years the loan is in effect payments

of interest only may be required if the borrower shall not be in default with respect to any other condition or covenant of his mortgage. No loan shall be made under this section unless the holder of any prior mortgage or instrument of indebtedness secured by such farm property arranges to the satisfaction of the Land Bank Commissioner to limit his right to proceed against the farmer and such farm property for default in payment of principal. Loans may be made under this section for any of the purposes for which Federal land banks are authorized by law to make loans, and for the following additional purpose, and none other: Refinancing, in connection with proceedings under chapter VIII of the Bankruptcy Act of July 1, 1898, as amended, any indebtedness, secured or unsecured, of the farmer, or which is secured by a lien on all or any part of the farm property accepted as security for the loan. The provisions of paragraph "Ninth" of section 13 of the Federal Farm Loan Act, as amended (relating to charges to applicants for loans and borrowers from the Federal land banks), shall, so far as practicable, apply to loans made under this section. As used in this section, (1) the term "farmer" means any person who is at the time, or shortly to become, bona fide engaged in farming operations, either personally or through an agent or tenant, or the principal part of whose income is derived from farming operations or livestock raising, and includes a personal representative of a deceased farmer; (2) the term "person" includes an individual or a corporation engaged in the raising of livestock; and (3) the term "corporation" includes any incorporated association; but no such loan shall be made to a corporation (A) unless all the stock of the corporation is owned by individuals themselves personally actually engaged in the raising of livestock on the land to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if at least 75 per centum in value and number of shares of the stock of the corporation is owned by the individuals personally actually so engaged, and (B) unless the owners of at least 75 per centum in value and number of shares of the stock of the corporation assume personal liability for the loan. No loan shall be made to any corporation which is a subsidiary of, or affiliated (either directly or through substantial identity of stock ownership) with a corporation ineligible to procure a loan in the amount applied for. Until June 1, 1942, the Land Bank Commissioner shall, in his name, make loans under this section on behalf of the Federal Farm Mortgage Corporation, and may make such loans in cash or in bonds of the corporation, or if acceptable to the borrower, in consolidated farm loan bonds; but no such loans shall be made by him after June 1, 1942, except for the purpose of refinancing loans previously made by him under this section. As much as may be necessary of the assets of the corporation, including the bonds (and proceeds thereof) issued under section 4 of the Federal Farm Mortgage Corporation Act, may be used for the purposes of this section. Any Federal land bank, when duly authorized by the Land Bank Commissioner and the Federal Farm Mortgage Corporation, shall have the power to execute any instrument relating to any mortgage taken to secure a loan made or to be made under this section, or relating to any property included in any such mortgage, or relating to any property acquired by the Land Bank Commissioner and/or the Federal Farm Mortgage Corporation. Any such instrument heretofore or hereafter executed on behalf of the Land Bank Commissioner and/or the Federal Farm Mortgage Corporation by a Federal land bank, through its duly authorized officers, shall be conclusively presumed to have been duly authorized by the Land Bank Commissioner and the Federal Farm Mortgage Corporation.

Norwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940, and shall not exceed 3½ per centum per annum for all interest payable on installment dates occurring on or after July 1, 1940, and prior to July 1, [1942.] 1944.

○

H. R. 6315

[Report No. 2133]



IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 1942

Mr. PIERCE introduced the following bill; which was referred to the Committee on Agriculture

MAY 18, 1942

Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

A BILL

To extend for two additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) the first sentence of paragraph "Twelfth" of section
4 12 of the Federal Farm Loan Act, as amended (relating to
5 the 3½-per-centum-interest rate on Federal land bank loans),
6 is amended by striking out "occurring within a period of
7 seven years commencing July 1, 1935" and inserting in lieu
8 thereof "occurring within a period of nine years commencing
9 July 1, 1935".

10 (b) The fourth sentence of such paragraph "Twelfth"
11 (relating to the time limit on payments made by the United

1 States to land banks on account of such interest reduction) is
2 amended to read as follows: "No payments shall be made to
3 a bank with respect to any period after June 30, 1944."

4 SEC. 2. The last paragraph of section 32 of the Emer-
5 gency Farm Mortgage Act, as amended (relating to reduc-
6 tion in the interest rate on loans by the Land Bank Com-
7 missioner), is amended to read as follows:

8 "Notwithstanding the foregoing provisions of this section,
9 the rate of interest on loans made under this section shall not
10 exceed 4 per centum per annum for all interest payable on
11 installment dates occurring on or after July 22, 1937, and
12 prior to July 1, 1940, and shall not exceed $3\frac{1}{2}$ per centum
13 per annum for all interest payable on installment dates
14 occurring on or after July 1, 1940, and prior to July 1,
15 1944."

77TH CONGRESS
2^D Session

H. R. 6315

[Report No. 2133]

A BILL

To extend for two additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans.

By Mr. PIERCE

JANUARY 6, 1942

Referred to the Committee on Agriculture

MAY 18, 1942

Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

When the dogs of war were unleashed across the Polish border in September 1939, and the second World War was under way, the demand for aluminum was vastly increased. At that time the Aluminum Co. of America was the only source of supply, and it could not meet its requirements under the contract then in effect with T. V. A.

You may recall, Mr. Speaker, that in the production of aluminum about 10 kilowatt-hours of current are required to produce 1 pound of that metal so necessary for airplane manufacture.

The company turned to T. V. A. and asked the Authority to supply the additional power needed. The T. V. A. had at that time some steam capacity available and consequently entered into an agreement to furnish the required power. During the remainder of that year the T. V. A. supplied the Aluminum Co. with 288,000 kilowatt-hours of energy. In order to do that it was necessary to expend for fuel and labor to produce the power, a total of \$1,300,000. The Authority received in revenue from the sale of that power \$1,600,000 for a net profit to the Government on its investment of \$300,000.

The point I emphasize here, Mr. Speaker, is that T. V. A. did what was necessary to meet an emergency, and because it was met the Aluminum Co. was able to produce an additional 29,000,000 pounds of aluminum, or enough to manufacture 1,500 bombers weighing 10 tons each.

Mr. KEFAUVER. Mr. Speaker, will the gentleman yield?

Mr. PRIEST. Yes. It is a pleasure to yield to my able colleague from Tennessee.

Mr. KEFAUVER. Mr. Speaker, I compliment the gentleman from Tennessee on the very fine presentation he is making of this subject matter, and ask him this question. In the event that one proposed Senate amendment had been in the law, limiting the T. V. A. to any specific appropriations it gets here, would it have been possible to have enabled the Aluminum Co. of America to secure the electricity that made the aluminum to which the gentleman refers?

Mr. PRIEST. In my opinion, it would have been utterly impossible with the limitations which would have removed the flexibility which the T. V. A. must have to meet such emergencies as this.

Mr. KEFAUVER. And I believe that additional aluminum was sufficient to build 1,500 bombers.

Mr. PRIEST. That is the best estimate that I have been able to get, and I believe it is a correct estimate. I thank my distinguished colleague for bringing that matter to the attention of the House.

Mr. SPARKMAN. Mr. Speaker, will the gentleman yield further?

Mr. PRIEST. Yes; I yield.

Mr. SPARKMAN. Right in line with that same thought, would it not have been impossible for the T. V. A. to have entered into the contract with the Reynolds Metals Co., who established another aluminum plant in the Tennessee Valley, in my district, I might say, manufacturing 40,000,000 pounds a year, which out-

put has been increased by 60,000,000 additional, since that time?

Mr. PRIEST. I am quite sure the gentleman from Alabama, who has followed all of this program very closely all the way, is eminently correct in that assumption.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. PRIEST. Yes; I yield to my distinguished and able colleague from California.

Mr. VOORHIS of California. The gentleman in the beginning of his remarks said something about the fact that some people might regard the Tennessee Valley Authority as a matter of local interest to the people of that section. I assure the gentleman that, so far as I am concerned, I am very deeply conscious of the fact that the T. V. A., by the benefit it has brought economically to one section of the country, has been of benefit to every section, and more especially in this time of war in which we find ourselves. I am profoundly grateful that we have this great enterprise devoted solely to the public interest, and therefore in no respect fearful of the maximum possible production of its power, which is somewhat in contrast with the attitude of certain other power-generating plants.

Mr. PRIEST. I thank the distinguished gentleman from California. I will say that he is one Member of this House who sees every issue that comes up in a broad national sense. I appreciate his contribution.

Now, to go a little further along this same theme of how the Tennessee Valley Authority met emergencies in connection with the production of aluminum, you will recall that during the summer and early fall of 1941 a serious power shortage was developing in the southeastern area because of the growing defense load and a rather severe drought. In that period T. V. A. met a very serious threat to aluminum production by keeping the Alcoa plant running at capacity. In order to do so the Authority had to supply the company with 150,000 kilowatts of emergency power over and above the 30,000 kilowatts supplied under a long-term contract. Much of that excess power was generated in the Authority's own plants, and some of it was obtained by purchase and interchange from adjoining utility systems. But here again, the point is that the emergency was met and the aluminum company was enabled to continue full-time operation in the manufacture of aluminum. In both cases the emergency was met because T. V. A. realized its responsibility in connection with the defense of the Nation, and under wise laws enacted by Congress, it was in position to exercise some flexibility in its operations.

Mr. Speaker, I think it is important that in considering the question of electric power, whether it be furnished by an agency such as T. V. A. or a privately owned utility, that we recognize that any power system must be ready at all times to meet emergencies quickly and to take care of fluctuating demands.

Power is a product which must be used as it is made—or if you prefer it the other

way around—made as it is used. Except for small storage batteries we have not yet found a practical method of packing a lot of power in a warehouse to use at some future date.

Let us examine very briefly some of the other services rendered by T. V. A. in the war program.

Ammonium nitrate, as we all know, is an important ingredient of high explosives, and high explosives are going to be necessary in large numbers to blast the Axis in the four corners of the world.

During the 8 years up until October 1940 T. V. A. maintained the large ammonium nitrate plant at Muscle Shoals, while at the same time plans were made ready for the modernization of the plant when it became necessary. That time came more than a year ago, and T. V. A. proceeded under prearranged plans to place the plant in production. The output of the ammonium nitrate there is immense. The actual figures are not available for military reasons.

Mr. Speaker, not so long ago I looked down on much of the Tennessee River and the valley from an airplane. From such a vantage point that far-flung region from the Appalachian Mountains to the Mississippi River takes on the appearance of a gigantic arsenal for war.

Up and down the river barges move raw materials which are turned into aircraft, munitions, and chemicals that are vitally important today.

Water that starts seaward from mountain slopes churns through turbines at one after another of the giant concrete dams and power surges out across the valley and into motors which run machines that are never idle in making more and more materials to be used in defeating the Axis and crushing the greatest menace in the history of the world.

I referred just now to barges moving up and down the Tennessee River. We are beginning to realize more each day the extent of the heavy burden that the war emergency has placed upon the transportation systems of the Nation. The multipurpose dams built by T. V. A. have created a navigable channel from the Ohio River to Chattanooga, a distance of 464 miles, and before long, when other dams are completed, that channel will be extended another 100 miles to Knoxville.

The annual report of T. V. A. for the year 1941 shows that traffic on the river has grown from 22,000,000 ton-miles in 1933 to about 100,000,000 ton-miles last year. New traffic consists of huge bulk shipments of pig iron from Birmingham that moves to the Middle West, petroleum products, and others necessary for war production.

Now, Mr. Speaker, as I stated previously, more detailed analyses of Senate amendment No. 114 will be given to the House between now and time for consideration of the conference report on the independent offices appropriation bill.

In the meantime, I hope the House may give some consideration to the extreme importance of the T. V. A. in a national sense at this particular time. I hope, moreover, that when the House comes to final action on that report such action

may be based not upon the question of whether Members are for or against public power but solely upon the basis of what course now is best for the maximum utilization of all the resources and facilities under the jurisdiction of the Tennessee Valley Authority for the benefit of the whole Nation in this crucial hour.

[Here the gavel fell.]

(By unanimous consent, Mr. PRIEST was granted permission to revise and extend his remarks.)

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet on Monday next.

The SPEAKER pro tempore (Mr. WHITTINGTON). Without objection, it is so ordered.

There was no objection.

REDUCED RATES OF INTEREST ON FEDERAL LAND BANK AND LAND BANK COMMISSIONER LOANS

Mr. NELSON, from the Committee on Rules, submitted the following privileged report on House Resolution 485 (Rept. No. 2138), which was referred to the House Calendar and ordered printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into a Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6315) to extend for 2 additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. As the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous order shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

DEFENSE HIGHWAY ACT

Mr. LEWIS, from the Committee on Rules, submitted the following privileged report on House Resolution 486 (Rept. No. 2139), which was referred to the House Calendar and ordered printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into a Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6908) to amend the Defense Highway Act of 1941. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Roads, the bill shall be read for amendment under the 5-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

CORRECTION OF THE RECORD

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to correct the RECORD of Tuesday, May 19. In my remarks on

the proposed changing of the ceiling of this chamber I included a list of Speakers of the House of Representatives. The name of Thomas M. Pomeroy of New York was omitted. My information is that Mr. Pomeroy was officially and regularly elected as Speaker of the House in March 1869 and served for 1 day only. On March 3, 1869, Schuyler Colfax, of Indiana, resigned as Speaker and Member of the House to become Vice President, and Mr. Pomeroy was elected as Speaker in his place acting officially in that capacity for 1 day. I ask that the official RECORD containing my remarks be corrected accordingly.

The SPEAKER pro tempore. Without objection, the RECORD will be corrected accordingly.

There was no objection.

Mr. STEFAN. Also, Mr. Speaker, I ask unanimous consent for another correction in the list of Speakers in those remarks. The name of Speaker Thomas B. Reed, who served 2 periods as Speaker, is printed as his State being Maryland. It should read the State of Maine. I ask that the official RECORD be corrected accordingly.

I also ask unanimous consent to further correct the same RECORD and the last sentence of the seventh paragraph of my remarks which read as follows: "At that time the desks were removed and were replaced by the present seats" be changed to read "Since that time," instead of "at that time."

The SPEAKER pro tempore. Without objection, the correction will be made.

There was no objection.

ADJUSTMENT OF PAY OF POSTAL EMPLOYEES

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. YOUNG] is entitled to recognition for 10 minutes. Does the gentleman from Ohio yield?

Mr. YOUNG. I yield the 1 minute to the gentleman from California.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I am greatly obliged to the gentleman from Ohio. I simply wanted to remark that in my judgment the request of the rank and file of postal employees of this country for an adjustment in their pay is justified.

Mr. Speaker, I ask permission to include in my remarks an editorial from the Sacramento Bee.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The editorial is as follows:

POSTAL EMPLOYEES HAVE RIGHT TO WAGE INCREASE

The employees of the post offices render an invaluable service to the American people.

Day in and day out, in bad weather as well as in good, they keep the mails moving; and it is done so smoothly we have come to take it for granted that when a letter or package is deposited in one place it will reach the person to whom it is addressed in the shortest

possible space of time—that is, if we have properly addressed it and put on the proper amount of postage.

Occasionally mistakes are made, but they are so unusual as to be utterly negligible.

The laborer is worthy of his hire, especially when rendering a community and national service so important to everybody.

And it is a fact that not since 1925 have the post-office employees had any adjustment of their pay schedules.

So there has been a growing disparity between what they are paid and that of the employees of other Government services. Moreover, many post offices in the country already are feeling the pinch of conditions which developed in the last war, namely, a lack of personnel because of the more attractive jobs available in other Government departments, in the State services, or in war industries.

A bill providing for modest increases in postal wage schedules has been introduced in Congress by Representative MARTIN SWEENEY, of Ohio, and is being considered by the House Committee on the Post Office and Post Roads.

Its favorable consideration is highly desirable in due justice to the cause it favors.

Mr. VOORHIS of California. I also want to add that it seems to me worthy of consideration to try to find some of the money necessary for this purpose by a reasonable reduction in some of the higher salaries of governmental officials—say of all those receiving in excess of \$7,500 a year.

[Here the gavel fell.]

Mr. HAINES. Mr. Speaker, will the gentleman from Ohio yield and permit me to address the House for a minute?

Mr. YOUNG. Certainly.

Mr. HAINES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HAINES. Mr. Speaker, I want to express my thanks to the gentleman from Ohio for his courtesy.

Mr. Speaker, I have about 300 citizens living in York, Pa., of Italian parentage. Over the past week end I was invited to attend a meeting of an organization at which time there was presented to me a \$1,000 Defense Bond payable to the Treasury of the United States, an outright gift to the country they love and of their adoption.

It was a most significant and thrilling experience to meet with these gentlemen, for they know the difference between living in a free land and living under another form of government.

It might be of interest to learn that these were men of low incomes who made contributions so willingly to a land they love in order that we might successfully wage a war to retain our freedom and liberties. In the opening address of the meeting, presided over by Mr. John Lucia, he declared:

This country is going to win the war for everybody—even for the Italian people themselves. The Italian people really love America and when the United States sits down at the peace conference, Italy will go with America again, for the Italians never were against the United States. Today we are all united here for one purpose and you should be proud of yourselves. Our Commander in Chief, President Roosevelt, dedicated this day as I Am an American Day. But I urge

means of livelihood. The rationing system has reduced travel greatly and clearly shows that the people of the Eastern States are cooperating fully with the authorities in reducing the use of gasoline in the affected areas. All of our large industrial plants employ workmen who travel many miles to and from the factories. Frequently the distance of the plant from the home is over 20 miles. No sufficient provision is made for the needs of these persons who are so important to the successful outcome of the war. They are told to double up insofar as possible and are doing so in great numbers.

Under these circumstances, it makes people wonder when they read in the newspapers, as some did a few days ago, that two full tank cars were refused in the large town of Palmer, Mass., because there was no more storage space available and that an official of a major oil company reported that his headquarters had requested him to take more gasoline because there were two tankers at Providence with no place to store their contents. These conditions would indicate that the distribution within the affected area is not being handled efficiently.

I have brought a number of complaints arising in my district to the attention of Government officials because they seem to me to be well founded. Undoubtedly others have done likewise. Perhaps they have had some effect. At any rate I feel that President Roosevelt was well warranted in his press conference yesterday in stating that he is opposed to the continuance of gasoline restrictions on a purely sectional basis. I agree with him that in the areas where oil is produced and to which it is delivered by pipe-line, restrictions need not be applied. If, however, as the President suggests, the restrictions are applied to all other sections of the country, obviously tank cars and other facilities in much larger numbers will be made available to the east coast on a basis whereby all sections of the country will receive amounts based upon their needs. The main problem, as I see it, is to assure equal treatment to all affected sections of the country while every effort is made to complete additional facilities, such as tank cars, pipe lines, barges, and trucks, which will end the shortage at the earliest possible date without interfering with the all-important war-production program.

The news item to which I referred is contained in the Springfield (Mass.) Union of May 18, 1942, and is as follows:

STORAGE TANKS FULL, TWO CARS OF GAS ARE REFUSED—OFFICIAL OF ONE CONCERN SAYS TANKERS OF FUEL AT PROVIDENCE UNABLE TO UNLOAD

PALMER, May 18.—Revising the lines to "gasoline, gasoline everywhere, but not many drops to use" may explain the condition here relative to the motor fuel. It was learned today that bulk plants in this vicinity are filled to the fullest extent and could handle the normal needs of motorists for some time.

TANK CARS REFUSED

Two full tank cars have been refused here because there was no more available storage space, and an official of one major company's station here reported that his headquarters requested him to take more gasoline because there had been two tankers of the fuel in

Providence with no place to store its contents.

However, regardless of the reported abundance, gasoline-station owners reported today that the week end saw cooperation to the highest degree by the average motorist, and in all but a few exceptions rationing cards were presented upon applications for gasoline. Service-station proprietors reported a definite downward trend in the week-end business, as was expected, since it appeared that motorists on the highway had a definite purpose in being there in most cases while the majority of Sunday motorists had declared a moratorium on travel.

EXTENSION OF REMARKS

Mr. CLASON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a news item from a local newspaper.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table, and, under the rule, referred as follows:

S. J. Res. 129. Joint resolution to remove certain limitations on the cost of construction of Army and Navy living quarters; to the Committee on Military Affairs.

ADJOURNMENT

Mr. LARRABEE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 1 minute p. m.) the House adjourned until tomorrow, Thursday, May 21, 1942.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Thursday, May 21, 1942)

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m., Thursday, May 21, 1942.

Business to be considered: The hearings in connection with the Federal Communications Commission will be resumed on May 21 at 10 a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1651. A communication from the President of the United States transmitting supplemental estimates of appropriations for the Civilian Conservation Corps, Federal Security Agency, for the fiscal year 1943, amounting to \$31,717,000, in the form of amendments to the Budget for said fiscal year as contained in House Document No. 718 (H. Doc. No. 730); to the Committee on Appropriations and ordered to be printed.

1652. A letter from the Acting Secretary of the Interior, transmitting copies of legislation passed by the Municipal Council of St. Thomas and St. John and approved by the Acting Governor of the Virgin Islands, pursuant to section 16 of the Organic Act of the Virgin Islands of the United States, approved June 22, 1936, which requires that all laws enacted by the Municipal Councils in the Virgin Islands shall be reported by the Governor to the Secretary of the Interior

and by the Secretary of the Interior to the Congress; to the Committee on Insular Affairs.

1653. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 10, 1942, submitting a report, together with accompanying papers, on a review of reports on the Holland Harbor and Black Lake (Lake Macatawa) Mich., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on February 11, 1941; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COCHRAN: Committee on Accounts. House Resolution 484. Resolution granting a gratuity to Hattie Davis; without amendment (Rept. No. 2137). Referred to the House Calendar.

Mr. NELSON: Committee on Rules. House Resolution 485. Resolution providing for the consideration of H. R. 6315, a bill to extend for 2 additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans; without amendment (Rept. No. 2138). Referred to the House Calendar.

Mr. LEWIS: Committee on Rules. House Resolution 486. Resolution providing for the consideration of H. R. 6908, a bill to amend the Defense Highway Act of 1941; without amendment (Rept. No. 2139). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 487. Resolution providing for the consideration of House Joint Resolution 310, a joint resolution to authorize the Federal Bureau of Investigation of the Department of Justice, the Military Intelligence Division of the War Department, and the Office of Naval Intelligence of the Navy Department in the conduct of certain investigations in the interest of prosecution of war, to make use of intercepted communications without regard to the limitations contained in section 605 of the Communications Act of 1934 (48 Stat. 1103), and for other purposes; without amendment (Rept. No. 2140). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KEOGH:

H. R. 7112. A bill to codify and enact into absolute law, title 9 of the United States Code, entitled "Arbitration"; to the Committee on Revision of the Laws.

H. R. 7113. A bill to codify and enact into absolute law title 4 of the United States Code, entitled "Flag and Seal, Seat of Government, and the States"; to the Committee on Revision of the Laws.

By Mr. SECREST:

H. R. 7114. A bill to amend the Library of Congress Trust Fund Board Act; to the Committee on the Library.

By Mr. JOHNSON of Oklahoma:

H. R. 7115. A bill to promote the war effort by facilitating the planting of the full allotted acreage of cotton as recommended by the Secretary of Agriculture as the Nation's war goal; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKLEY of New York:

H.R. 7116. A bill to record the lawful admission to the United States for permanent residence of Stella Hertchikoff; to the Committee on Immigration and Naturalization.

By Mr. McMILLAN:

H.R. 7117. A bill for the relief of A. L. Sauls Planograph Co.; to the Committee on Claims.

By Mr. PETERSON of Georgia:

H.R. 7118. A bill for the relief of Capt. Leland M. Mower and Lt Percy K. Morrison; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2857. By Mr. CRAVENS: Petition of Omer R. Cantrell and others of Sebastian and Scott Counties, Ark., concerning Senate bill 860 to provide for the common defense in relation to the sale of alcoholic liquors to the land and naval forces of the United States, and to provide for the suppression of vice in vicinity of military camps and naval establishments; to the Committee on Military Affairs.

2858. By Mr. THOMAS F. FORD: Resolution of the Board of Supervisors of Los Angeles County, urging the Work Projects Administration to give favorable consideration to transferring or allotting an additional quota of 500 to Work Projects Administration in southern California; to the Committee on Appropriations.

2859. By Mr. GRAHAM: Petition of the Sara Shaw Bible Class of the First Presbyterian Church, Beaver Falls, Pa., urging an early passage of Senate bill 860, to provide for the common defense in relation to the sale of alcoholic liquors to the land and naval forces of the United States, and to provide for the suppression of vice in vicinity of military camps and naval establishments; to the Committee on Military Affairs.

2860. Also, petition of 49 members and adherents of the Clinton United Presbyterian Church near Saxonburg in Butler County, Pa., urging the prohibition of the sale of all alcoholic beverages in the vicinity of our Army camps; to the Committee on Military Affairs.

2861. Also, petition of Rev. J. L. Hull, minister, and 36 members of the First Church of God, New Brighton, Pa., urging the early passage of Senate bill 860, to provide for the common defense in relation to the sale of alcoholic liquors to the land, air, and naval forces of the United States, and to provide for the suppression of vice in the vicinity of military camps and naval establishments; to the Committee on Military Affairs.

2862. Also, petition of patrons of Frankfort Springs Grange, No. 1989, Beaver County, Pa., urging the early passage of Senate bill 860, to provide for the common defense in relation to the sale of alcoholic liquors to the land and naval forces of the United States, and to provide for the suppression of vice in vicinity of military camps and naval establishments; to the Committee on Military Affairs.

2863. Also, petition of 46 citizens of Beaver County, Pa., urging enactment of Senate bill 860, as a contribution to a wholesome defense program and a reenactment of legislation similar to that of 1917 and so give to the young men of 1942 the protection their fathers had in 1917; to the Committee on Military Affairs.

2864. Also, petition of 105 citizens of Beaver County, Pa., urging the early passage of Senate bill 860, to provide for the common defense in relation to the sale of alcoholic liquors to the land and naval forces of the United States, and to provide for the suppression of vice in the vicinity of military camps and naval establishments; to the Committee on Military Affairs.

2865. Also, petition of 63 members of the East Brook United Presbyterian Church, East Brook, Pa., urging enactment of Senate bill 860, taking liquor from our Army camps, and also legislation prohibiting liquor advertising over the radio; to the Committee on Military Affairs.

2866. Also, petition of 207 residents of Beaver County, Pa., originated in the First Methodist Church of Beaver Falls, Pa., urging the enactment of Senate bill 860 to provide the largest possible protection for the men in our Army and Navy against the influence of vice and intoxicating liquors; to the Committee on Military Affairs.

2867. By Mr. HAINES: Petition unanimously approved by the 89 members of the Armor Bearers Men's Bible Class of St. Paul's United Evangelical Congregational Church of York, Pa.; to the Committee on Military Affairs.

2868. By Mr. HELDINGER: Petition of Roy Adams and 63 others, residents of Harrisburg, Ill., requesting the passage of Senate bill 860 as a contribution to our national defense program; to the Committee on Military Affairs.

2869. Also, petition of I. E. Vanwey and 50 other members of the United Brethren Church of Flora, Ill., appealing for legislation which will provide the largest possible protection for the men in our Army and Navy against vice and intoxicating liquor, and urging the passage of Senate bill 860; to the Committee on Military Affairs.

2870. Also, petition of Minnie P. Funkhouser and 65 other residents of White County, Ill., urging the adoption of Senate bill 860; to the Committee on Military Affairs.

2871. Also, petition of J. S. Vise and sundry other citizens of Ewing, Ill., and surrounding

community, urging the passage of Senate bill 860; to the Committee on Military Affairs.

2872. By Mr. JONES: Petition of Edith Prichard and 117 residents of Mercer County, Ohio, and members of the Anderson Bethel Church of God, of Mendon, Ohio, in support of Senate bill 860; to the Committee on Military Affairs.

2873. By Mr. KRAMER: Petition of the Metropolitan Water District of Southern California, urging that the situation existing on the Colorado River at and in the vicinity of the city of Needles, Calif., be immediately investigated and that appropriate action to remedy the flood conditions on the river at that point be taken; to the Committee on Flood Control.

2874. By Mr. LANE: Petition of the Board of Aldermen of the City of Chelsea, Mass., commending the action of Assistant Attorney General Thurman Arnold on his efforts to link the oil company and Alcohol Trust; to the Special Subcommittee on Petroleum Investigation of the Committee on Interstate and Foreign Commerce.

2875. By Mr. LYNCH: Resolutions of the Central Union Label Council of Greater New York, urging increase in salary for postal employees; to the Committee on the Post Office and Post Roads.

2876. By Mr. MARTIN of Iowa: Petition of Frank J. Venning and a number of citizens of Keokuk, Iowa, urging the passage of Senate bill 860, providing for the suppression of vice in the vicinity of military and naval camps and cantonments; to the Committee on Military Affairs.

2877. By Mr. L OLFPH: Resolution of the Watchmaker's Local No. 101, International Jewelry Workers' Union, at San Francisco, Calif., adopted April 24, 1942, relative to House bill 6486, a bill to increase the salaries of certain postal employees; to the Committee on the Post Office and Post Roads.

2878. By Mr. SMITH of Wisconsin: Resolution of the United Automobile Workers of America, Local 85, Racine, Wis., approving the following general principles of taxation: The income tax and estate tax be utilized at maximum efficiency; undivided surplus funds be regarded as taxable income; excess-profits tax—rate of profit to corporation not to exceed rate allowed individuals who lend money to Government—namely, 2½ percent; exempt securities and obligations to be placed on taxable basis; taxation of excessive bonuses paid by corporations; and individual and corporate incomes to be limited to \$25,000; to the Committee on Ways and Means.

2879. By the SPEAKER: Petition of the Townsend Club, No. 2, of Du Bois, Pa., petitioning consideration of their resolution with reference to "pay as you go" for pensions and defense; to the Committee on Ways and Means.

H. RES. 485

[Report No. 2138]

IN THE HOUSE OF REPRESENTATIVES

MAY 20, 1942

Mr. NELSON, from the Committee on Rules, reported the following resolution;
which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 a Committee of the Whole House on the state of the Union
4 for the consideration of the bill (H. R. 6315) to extend
5 for two additional years the reduced rates of interest on
6 Federal land bank and Land Bank Commissioner loans.
7 That after general debate, which shall be confined to the
8 bill and continue not to exceed one hour, to be equally di-
9 vided and controlled by the chairman and ranking minority
10 member of the Committee on Agriculture, the bill shall be
11 read for amendment under the five-minute rule. At the
12 conclusion of such consideration, the Committee shall rise
13 and report the bill to the House with such amendments as

77TH CONGRESS
2^D SESSION**H. RES. 485**

[Report No. 2138]

RESOLUTION

Providing for the consideration of H. R. 6315,
a bill to extend for two additional years the
reduced rates of interest on Federal land
bank and Land Bank Commissioner loans.

By Mr. NELSON

May 20, 1942

Referred to the House Calendar and ordered to be
printed

1 may have been adopted and the previous order shall be con-
2 sidered as ordered on the bill and amendments thereto to
3 final passage without intervening motion, except one motion
4 to recommit.

Calendar No. 1403

77TH CONGRESS }
2d Session }

SENATE



REDUCTION OF INTEREST RATES ON FEDERAL LAND BANK AND LAND BANK COMMISSIONER LOANS

MAY 20 (legislative day, MAY 15), 1942.—Ordered to be printed

Mr. BANKHEAD, from the Committee on Banking and Currency,
submitted the following

REPORT

[To accompany S. 2544]

The Committee on Banking and Currency, to whom was referred the bill (S. 2544) to extend the reduced rates of interest on Federal land bank and Land Bank Commissioner loans, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

STATEMENT

The bill extends for 2 additional years the reduced interest rate of 3½ percent per annum on Federal land bank and Land Bank Commissioner loans. Under existing law the last previous extension will expire on July 1, 1942, and the bill provides that the extension period will expire on July 1, 1944.

Section 2 of the bill also contains a provision which in effect provides a 4-percent interest rate for purchase-money mortgages and real-estate sales contracts taken by the Federal Farm Mortgage Corporation where such interest is payable on installment dates occurring on and after July 1, 1942, and prior to July 1, 1944.

A BILL To extend the reduced rates of interest on Federal land bank and Land Bank Commissioner loans and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of paragraph twelfth of section 12 of the Federal Farm Loan Act, as amended (relating to the 3½ percent interest rate on Federal land bank loans), is amended by striking out "occurring within a period of seven years commencing July 1, 1935" and inserting in lieu thereof "occurring within a period of nine years commencing July 1, 1935".

(b) Said paragraph twelfth, as amended, is further amended by inserting immediately following the second sentence of said paragraph the following: "The foregoing provisions shall also apply to interest on so-called purchase-money

mortgages and on real-estate sales contracts taken by the Federal land banks which is payable on installment dates occurring after June 30, 1942, except that in the case of such mortgages and contracts the rate of interest shall be one-half of 1 per centum per annum in excess of the rate paid by borrowers on mortgage loans made through national farm-loan associations".

(c) The fourth sentence of said paragraph Twelfth (relating to the 1942 time limit on payments made by the United States to land banks on account of such interest reduction), is amended to read as follows: "No payments shall be made to a bank with respect to any period after June 30, 1944".

SEC. 2. The last paragraph of section 32 of the Emergency Farm Mortgage Act of 1933, as amended (relating to reduction in the interest rate on loans by the Land Bank Commissioner), is amended to read as follows: "Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940, and shall not exceed $3\frac{1}{2}$ per centum per annum for all interest payable on installment dates occurring on or after July 1, 1940, and prior to July 1, 1944. Notwithstanding the interest rate provided for in so-called purchase-money mortgages and real estate sales contracts taken by the Federal Farm Mortgage Corporation, the rate of interest payable on such mortgages and contracts shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on and after July 1, 1942, and prior to July 1, 1944."

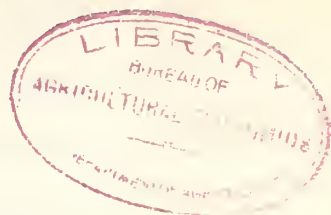


Calendar No. 1403

77TH CONGRESS
2^D SESSION

S. 2544

[Report No. 1360]



IN THE SENATE OF THE UNITED STATES

MAY 20 (legislative day, MAY 15), 1942

Mr. BANKHEAD introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

MAY 20 (legislative day, MAY 15), 1942

Reported by Mr. BANKHEAD, without amendment

A BILL

To extend the reduced rates of interest on Federal land bank and Land Bank Commissioner loans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That (a) the first sentence of paragraph Twelfth of section
4 12 of the Federal Farm Loan Act, as amended (relating to
5 the 3½-per-centum-interest rate on Federal land bank loans),
6 is amended by striking out "occurring within a period of seven
7 years commencing July 1, 1935" and inserting in lieu thereof
8 "occurring within a period of nine years commencing July 1,
9 1935".

10 (b) Said paragraph Twelfth, as amended, is further
11 amended by inserting immediately following the second sen-
12 tence of said paragraph the following: "The foregoing pro-

visions shall also apply to interest on so-called purchase-money mortgages and on real estate sales contracts taken by the Federal land banks which is payable on installment dates occurring after June 30, 1942, except that in the case of such mortgages and contracts the rate of interest shall be one-half of 1 per centum per annum in excess of the rate paid by borrowers on mortgage loans made through national farm loan associations."

(c) The fourth sentence of said paragraph Twelfth (relating to the 1942 time limit on payments made by the United States to land banks on account of such interest reduction), is amended to read as follows: "No payments shall be made to a bank with respect to any period after June 30, 1944."

SEC. 2. The last paragraph of section 32 of the Emergency Farm Mortgage Act of 1933, as amended (relating to reduction in the interest rate on loans by the Land Bank Commissioner), is amended to read as follows: "Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940, and shall not exceed $3\frac{1}{2}$ per centum per annum for all interest payable on installment dates occurring on or after July 1, 1940, and prior to July 1, 1944. Notwithstanding

1 the interest rate provided for in so-called purchase-money
2 mortgages and real estate sales contracts taken by the Fed-
3 eral Farm Mortgage Corporation, the rate of interest payable
4 on such mortgages and contracts shall not exceed 4 per
5 centum per annum for all interest payable on installment
6 dates occurring on and after July 1, 1942, and prior to
7 July 1, 1944.”

A BILL

To extend the reduced rates of interest on Federal land bank and Land Bank Commissioner loans, and for other purposes.

By Mr. BANKHEAD

MAY 20 (legislative day, MAY 15), 1942
Read twice and referred to the Committee on
Banking and Currency

MAY 20 (legislative day, MAY 15), 1942
Reported without amendment

their college educations during the summer months.

Mr. CANNON of Missouri. I am just as interested in the matter as is the gentleman, but it is not germane to this subject or to this bill. I have no doubt the gentleman would like to have it discussed at the time when we have legislation before the House.

Mr. WILLIAM T. PHEIFFER. I think it is quite germane, but I am perfectly content to let the matter rest at this point, in the light of the gentleman's assurances.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ROBSION of Kentucky. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. HARE].

Mr. HARE. Mr. Chairman, I rise for the purpose of making only one observation. That is that for the past several months many of us have been greatly concerned about training young men for entrance into industrial activities and defense industries.

A number of agencies of the Government are training young men for this purpose. I would not have time to go into any great detail. I think probably they are making a very valuable contribution to our defense activities in training young men before actually going to work. However, what I would like to bring to the attention of the House is this: It is extremely important that we have machines, that we have tanks, that we have airplanes of different types, observation, fighting, and bombing planes of every type. It is not only necessary to have these but it is highly important we have someone to operate them and to operate them in the most effective way possible. Being able to handle a plane properly in combat is just as essential as being able to handle efficiently a machine gun or any other implement of war. My thought is that, in addition to the training young men will receive in actually operating planes, there should be a training prior thereto which would enable them to know thoroughly the conditions under which the planes are to be operated; weather conditions; atmospheric conditions; the manner in which different sizes and types of planes will behave under different circumstances and conditions at different heights; aviation mathematics, physics, chemistry, and other matters highly essential for an Army pilot. Of course, practice in flying finally makes the expert, but basic training to begin with would be most valuable, and such information can be obtained before actually going into the Air Corps and prior to entering the pilot-training schools. When young men go into combat they will be compelled to make decisions immediately, and they will want to know their business like knowing the alphabet, because without this they will not be experts.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I move that the Committee do now rise and report the joint resolution back to the House without amendment, with the recommendation that it do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. RAMSPECK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration House Joint Resolution 316 and directed him to report the same back to the House without amendment, with the recommendation that the joint resolution be agreed to.

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the joint resolution to final passage. The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The joint resolution was passed.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. TABER. Mr. Speaker, I ask unanimous consent that on Tuesday next, after the disposition of the legislative business of the day, I may be permitted to proceed for 30 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that all who have spoken on the joint resolution just passed may have 5 legislative days in which to extend their own remarks on the resolution.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that on tomorrow after the disposition of the legislative business for the day and other special orders I may address the House for 15 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. SMITH of Ohio and Mr. DELANEY asked and were given permission to extend their own remarks in the Record.

INTEREST RATE ON LAND BANK AND COMMISSIONER LOANS

Mr. NELSON. Mr. Speaker, I call up House Resolution 485.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into a Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6315) to extend for 2 additional years the reduced

rates of interest on Federal land bank and Land Bank Commissioner loans. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous order shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. NELSON. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and yield myself 5 minutes at this time.

The SPEAKER. The gentleman from Missouri is recognized for 5 minutes.

Mr. NELSON. Mr. Speaker, 23 years ago last week I came to Congress and entered upon my duties in this body in a special session which had been called by President Wilson. Since that time I have voted for every agriculture bill except during the years I was not a Member of the House. Never, though, have I voted for a measure more far-reaching in its importance or which promised to do more for agriculture and the country as a whole than the bill this rule seeks to make in order. Three times this House has expressed itself on this proposition. Those were peacetimes. How much more important is it now that we are at war that we again make possible this aid not only to agriculture but to our country as a whole.

It is not my belief that it is necessary to take any considerable time in calling attention to this rule, nor shall I do so. I do, however, want, Mr. Speaker, to pay a deserved tribute to the author of this bill, the gentleman from Oregon [Mr. PIERCE], who, during all the years I served with him on the Committee on Agriculture, has rendered such splendid service not only to agriculture but to the country as a whole.

Mr. RANKIN of Mississippi. Mr. Speaker, will the gentleman from Missouri yield?

Mr. NELSON. It is with pleasure that I yield to the able Member from Mississippi.

Mr. RANKIN of Mississippi. In that connection let me say to the gentleman from Missouri that no man has done more to further rural electrification for the farmers than has the distinguished gentleman from Oregon.

Mr. NELSON. I thank my Mississippi friend, who has for so long been in the forefront of the fight for Rural Electrification Administration. I wish also to express my appreciation of the work of the chairman of this committee, the gentleman from South Carolina [Mr. FULMER], who has been instrumental in bringing out this legislation.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. NELSON. I yield, with pleasure, to my friend and fellow member on the Rules Committee.

Mr. ALLEN of Illinois. We on this side have no disposition to fight either the rule or the bill. The bill was reported

unanimously by the Committee on Agriculture, was it not?

Mr. NELSON. That is true. I was about to make the statement that the bill has the unanimous support of both sides of the aisle; and, thank God, we have no politics when it comes to getting this war job done; this is a part of the war job.

A little while ago I walked over to the Capitol with the chief of the bureau which has to do with the purchasing of all the meat we shall need for our Army. He stressed the importance of the part agriculture must play at this time. Last week I was back in my home State, and there I found farmers, men and women past the years when they ordinarily work so hard, going on the job with most indomitable enterprise. The farmers of the country, handicapped as they are by the lack of sufficient help and machinery, need to produce all we must have and are going to produce what we need for our boys on the fighting front and what they are going to need after the war is over. This is bound to mean increased cost of production. The seriousness of the situation all the more justifies such legislation as the pending rule seeks to make in order.

Mr. Speaker, I have no requests for time, and I understand the gentleman from Illinois has no request. So, Mr. Speaker, I move the previous question.

Mr. ALLEN of Illinois. Mr. Speaker, I yield back my 30 minutes to the gentleman from Missouri.

Mr. NELSON. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. FULMER. Mr. Speaker, it is very apparent there is no opposition to this bill, and in order to expedite the matter I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. FULMER]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That (a) the first sentence of paragraph "Twelfth" of section 12 of the Federal Farm Loan Act, as amended (relating to the 3½-percent-interest rate on Federal land bank loans), is amended by striking out "occurring within a period of 7 years commencing July 1, 1935, and inserting in lieu thereof "occurring within a period of 9 years commencing July 1, 1935."

(b) The fourth sentence of such paragraph "Twelfth" (relating to the time limit on payments made by the United States to land banks on account of such interest reduction) is amended to read as follows: "No payments shall be made to a bank with respect to any period after June 30, 1944."

Sec. 2. The last paragraph of section 32 of the Emergency Farm Mortgage Act, as amended (relating to reduction in the interest rate on loans by the Land Bank Commissioner), is amended to read as follows:

"Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 percent per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940, and shall not exceed 3½ percent per annum for all interest payable on installment dates occurring on or after July 1, 1940, and prior to July 1, 1944."

Mr. FULMER. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, for some time the Committee on Agriculture has been considering legislation, having in mind amending the original act in several instances. However, we finally reported H. R. 7091 at which time we also reported this bill. On account of the emergency it is the unanimous opinion of the members of the committee that we should pass this bill at this time which has for its purpose the extending of the 3½ percent interest rate for 2 additional years.

Mr. ROMJUE. Will the gentleman yield?

Mr. FULMER. I yield to the gentleman from Missouri.

Mr. ROMJUE. The provisions of this bill extends the rate of interest that has been given to this class of loans heretofore, with which I am in entire accord. Personally I think it ought to be permanent legislation but I realize that the chairman is just as much interested in the farming class of people as I am and no one has devoted more interest and time trying to help this class of people than the chairman, the gentleman from South Carolina. I want to compliment him on the fine service he has rendered to farmers of this Nation. His judgment on this legislation is entirely in accord with my own.

Mr. FULMER. The gentleman is correct as to the provisions of the bill and I want to thank him for the very kind remarks and would like to add that I do not know of any Member of Congress who has served all these years with me that has been more deeply interested in farm legislation and who has rendered more real service in connection with the passage of the many bills that we have considered in behalf of the farmer.

[Mr. RANKIN of Mississippi addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. PIERCE. Mr. Speaker, I move to strike out the last three words.

Mr. Speaker, in 1933 we passed the original bill fixing lower interest on farm mortgages held by Federal farm agencies. This was renewed in 1935, again in 1937, and in 1939. The law expires on the 30th of June of this year, except for the Commissioner's loan provision, which expires May 30.

The interest rates on notes and mortgages given by the farmers to the various farm agencies of the Federal Government will automatically return to the interest specified in the notes and mortgages, unless the bill passes. They have been paying 3½ percent for 8 years, and this bill renews that interest rate for a period of 2 years.

I think the bill should pass as it is written. It is simply a continuation of the present law. The farmers have suffered severely by reason of the war, especially in labor shortage and costs. Their boys have volunteered and have gone to war. It is natural for a farm boy to go to the defense of his country, and I think they are now forming the backbone of the companies and regiments that are today close to the front lines.

There is a further reason for the passage of this measure. The farmers have been paying this rate of interest, and this is no time to raise the interest rate. It will automatically go up unless we pass this bill. I was farming when the other war was on. Farm products were sold in the market for what we could get. We then had a free market. We now have a controlled market, as we have passed a price-control bill. Therefore the farmers are raising their products at fixed prices, but it is costing them more to raise crops by reason of higher prices on everything they need, including labor.

A further reason this bill should pass at the present time is that one of the things which must come out of this war is lower interest rates. We are not going to be able to carry the immense national debt at present rates. It is plain to be seen that we can carry \$100,000,000,000 at 1½ percent as easily as we could carry \$50,000,000,000 at 3 percent. So there are going to be lower interest rates, and the farmer should now have the advantage of those lower rates.

If the farm-credit agencies could today borrow the money on the market and pay the rates that are now charged, there would be no cost to the Treasury in continuing this law. Some years ago a large number of their bonds were sold at high interest rates. Most of them are not callable until after 1946. The farmers must not pay the penalty.

Mr. Speaker, this bill should pass.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. PIERCE. I yield to the gentleman from Montana.

Mr. O'CONNOR. I take this occasion to compliment the gentleman on the matchless service he has rendered the American farmer as a Member of this House. I do not know any Member of the House who has been more faithful to the interests of the poor man and the farmer, regardless of what he has been producing, than the distinguished gentleman from Oregon. We in Montana as well as the people in the gentleman's State are to be congratulated that we have the benefit of his splendid service.

Mr. PIERCE. I thank the gentleman for his kind words. I have written out a statement on this bill and ask unanimous consent to revise and extend my remarks to include that statement and the committee report on the bill.

FEDERAL FARM LOAN INTEREST RATES

The bill under consideration, H. R. 6315, extends for 2 additional years interest-rate provisions of the present act which expires July 1, 1942. That act provides that all who have obtained loans through the Federal land banks, or through the Federal Farm Mortgage Corporation, these latter known as Land Bank Commissioner's loans, are given the continued privilege of paying 3½ percent upon the principal, instead of the interest rates specified in the mortgages. These notes and mortgages bear from 4 to 6, and even 6½ percent.

This law has been on the statute books since 1933 when it was first passed by the Congress, and signed by the President. It then provided for a 4½ percent interest rate. It was designed to help the farmers of this country, not only in fixing a reduced amount of interest they were paying to the Federal

Farm Credit agencies, but also in establishing a standard which would make impossible the excessively high farm mortgage interest rates which have been charged, in the past, by some private lending institutions.

After 2 years of operation, the law was reenacted by the Congress, in 1935, and provided for a 3½ percent interest rate. In 1937, a bill to continue the 3½-percent rate was vetoed by the President. Congress passed the bill over the veto. This was repeated in 1938, when Congress again renewed the act over a Presidential veto. In 1940, the law was renewed for 2 years, with the President's approval. When the Congress passes this bill, H. R. 6315, I believe the President will willingly sign it.

NO TIME TO RAISE FARM INTEREST RATES

It is no time to raise farm interest rates. A country at war must rely upon the farmer for dependable and increased production of the foods and fibers to sustain, not only its own nation and its armies on the battle fronts, but to assure adequate supplies for its allies. The country is banking on the certainty of the contribution of American farmers. This is an important factor in maintaining hope and strength among the United Nations at war with the Axis. All the democracies are expecting much of American farmers and they will not be disappointed.

No group of producers in the United States has suffered more severely by reason of the Selective Service than have the farmers and stockmen. Their skilled and dependable working forces have been depleted. It is just natural for the strong, sturdy, responsible boy reared on a farm or stock ranch to volunteer for the armed forces of the country. He is inured to hardship. He knows what it is to get up early in the morning and work till late at night, battling with the elements and facing the storms. He loves the land and rushes to the defense of his country and all that he holds dear. Farm volunteers form the backbone of many of the regiments and companies which are today holding the exposed front lines.

Thousands of farmers have written Congressmen about the desperate conditions because the skilled farm workers have gone into the service, or into the war industries where they are earning higher wages than could possibly be paid on the farms. The trained, experienced labor essential to successful production has been drawn off and cannot be easily replaced. It requires experience and skill to produce farm crops. It requires long hours of hard work every day. Dairy farmers have been especially hard hit. Many of them have been forced to dispose of herds, to their own great loss and to the detriment of the food supply of the country. Farmers and their wives are working like slaves, and quite a percentage of farm labor will be done this year by girls and women who do not have the physical strength for the tasks. They will drive the tractors, they will watch the herds, they will milk the cows, they will do their level best.

Farmers have to carry a load of greatly increased operating costs. They spend hours of fruitless effort trying to get equipment and materials for farm machinery and farm storage. Their greatest problem is to meet the excessively high wages which must now be paid for farm labor, in spite of the fact that the Government rigidly fixes ceiling prices for farm produce. A dairy farmer writes me about paying \$90 a month, and board, for a man to milk cows. Think of it. Paying a man on a farm as much as college-trained school teachers are paid, then clamping down on the prices to be paid for the products.

In the face of these facts on farm-labor scarcity and cost and on farm price restrictions, can we hazard permitting an increase in farm interest rates? Farmers are not

expecting to make more money from increased production and parity price maintenance. The Secretary of Agriculture has asked them to produce more milk, butter, eggs, hogs, cows, chickens, more fruit and vegetables, and the farmers are responding. They are courageously facing the rapidly multiplying difficulties and problems of production and marketing. Farm problems and crops are so varied that each section has its own peculiar and pressing problems. Those growing fruit and vegetables for canning are dependent upon supplies of scarce materials like tin and sugar. The delays and uncertainties add to production costs.

PARITY PRICES

It is often stated in the press that farmers are enjoying an era of great financial prosperity and of assured income. It is true that times are better than when this administration came into power in 1933—and what a struggle we have had to bring about improved conditions. We have fixed minimum prices for cotton, wheat, peanuts, corn, and tobacco. These prices are controlled by Government-loan values, which have also been construed to be maximum values. It was right and proper that we should provide Government loans on basic commodities, to the amount of a stipulated percentage of parity. It was the hope of those who supported such legislation that the prices would not be considered maximum prices, but that hope has been dispelled by experience. Rarely are sales made above the loan values provided by law.

The congressional debates and public discussions of parity and the formulas for arriving at and maintaining parity prices have not yet resulted in any clear and just procedure. We have passed a price-control bill, which has immensely complicated the farm-price situation. Congressmen from farm districts have quite generally supported the price-control legislation, but with many misgivings as to the effect of these price ceilings on farmers. It is doubtful if producers will, during this war period, receive in the central markets \$20 for live hogs, though I sold them as high as \$22.50 during World War No. 1. Wheat will never bring \$2.25 a bushel, as it then did. Why? Because there is a ceiling on prices and a rigid price control.

FARM DEBTS NOT YET PAID

In the face of these unalterable facts, can we afford to raise farm interest rates? Is it just and fair? Farmers have not yet been able to pay the debts contracted during the great depression. They are just beginning to emerge from the difficulties of those years. We must not place impossible financial burdens on their shoulders. The passage of this bill will assure continued interest rates which the farmers can meet and pay to the Government and to the banks. Those who would oppose this bill cannot shield themselves behind any true statements about the great farm prosperity assured because of legislated prices for basic commodities, with ceiling prices set for the numerous other farm products. It is true that the lower interest rates have been enjoyed for 8 years now, but the time has not arrived for placing other burdens on farmers.

The present law expires July 1, 1942. Failure to reenact this would cost the American farmers many millions of dollars in higher interest rates to be collected from them by the Federal land banks. It would also enable the insurance companies and investment bankers, which are the most numerous agencies extending farm credit, to collect many more millions than they would have collected had the Government maintained its interest standard.

Less than one-half the loans on farming lands are made through Federal lending agencies. The greater percentage is made by investment bankers, insurance companies, and private lenders. The Federal Govern-

ment must fix the standard in order to hold high the morale of the farming world. No single act will now be a greater contribution than continuation of the present existing law, fixing at 3½ percent the interest rates the Federal land banks collect on their farm loans.

WHAT DOES THE PRESENT LAW COST THE TREASURY?

The existing law gives the farmer the right to pay 3½ percent interest in lieu of any amount fixed in the notes and mortgages which he gave to the Federal Farm Credit agencies. Estimating the cost of this adjustment is largely a matter of bookkeeping, and transferring of funds. Eight years ago, when we passed the Emergency Farm Mortgage Act which provided for Commissioner's loans and amended the Farm Loan Act, it became necessary to sell some millions of dollars of bonds at a high rate of interest. These bonds are still outstanding and are not all callable until 1946. It is a pity they could not have been refunded. Farmers should not be called upon to pay the high price of official errors or bad judgment, and of world-wide financial changes.

If the Government could today take up all outstanding bonds and refinance them at present interest rates the passage of the act would entail no cost to the Treasury. Owing to the fact that the Federal land banks have these high-interest-rate bonds outstanding, there is an apparent deficit, which, under the present law, is made up from the Treasury of the United States. A recent statement given me by the Farm Credit Administration is to the effect that the passage of this bill will make certain payments necessary. In 1943, the amounts will be \$25,213,000 to the Federal land banks and \$8,990,000 to the Federal Farm Mortgage Corporation, a total of \$34,203,000. In 1944, the probable transfer will be \$23,860,000 to the Federal land banks, and \$8,384,000 to the Federal Farm Mortgage Corporation, a total of \$32,244,000.

FUTURE LOWER INTEREST RATES

Students of finance suggest that interest rates will drop still lower because of the necessity of carrying the huge loans piling up to finance the war. It is clear that we can carry \$100,000,000,000 of debt with 1½ percent interest as easily as we could carry \$50,000,000,000 of debt with 3 percent interest. Some say, "Money is like any other commodity, and interest rates depend upon supply and demand." We must admit that the old economic law of supply and demand has been suspended by Executive decree, legislative act, and world-wide upheaval. It no longer affects the prices of wheat, corn, or cotton, and neither will it determine in the days to come the rates of interest which can be charged and collected.

The Federal land banks should certainly sell only short-term bonds, or bonds callable after a short period, in order to protect their borrowers under changed conditions and probable lower interest rates in the future. Facing unalterable facts, our theories will be thrown to the winds. Interest rates will go lower, even if we must again reduce the number of grains of gold in the gold dollar.

At this time when labor is so difficult to obtain and so greatly increased in cost, when every factor entering into farm production results in higher charges, when ceilings have been fixed so costs and returns cannot be balanced, it behooves us to hold farm interest rates on Federal loans through Federal agencies at the present figure.

Undoubtedly the whole Federal Farm Loan Act should be rewritten. Many changes should be made in order to modernize this Federal lending agency. For 2 years the House Committee on Agriculture has held extensive hearings and taken much testimony on the proposed changes. It now appears that we cannot pass a comprehensive bill before July 1, when the present interest rate

section expires. I therefore concluded that it would be wise to introduce and press to immediate passage a brief and simple bill extending for 2 years the present provisions on interest rates. This is the bill before us today, H. R. 6315, on which I request your favorable action. In order to sustain the courage and assure the financial stability of farmer-borrowers of the Federal system.

[H. Rept. 2133, 77th Cong., 2d sess.]

INTEREST RATE ON LAND-BANK AND COMMISSIONER LOANS

The Committee on Agriculture, to whom was referred the bill (H. R. 6315) to extend for 2 additional years the reduced rates of interest on Federal land-bank and Land Bank Commissioner loans, having considered the same, report thereon with a recommendation that it do pass.

STATEMENT

Under existing law, a maximum interest rate of 3½ percent is in effect on farm mortgages made by Federal land banks through national farm-loan associations, or agents, or purchased from joint-stock land banks by Federal land banks if such mortgages were outstanding in the hands of a Federal land bank on May 12, 1933 (the date of enactment of the Emergency Farm Mortgage Act of 1933). The same rate applies to loans made by the banks through farm-loan associations since then. Under existing law, that reduced rate terminates on all such mortgages on July 1, 1942. Similarly, under existing law, the so-called Land Bank Commissioner's loans are subject to a maximum 3½ percent interest rate, which expires July 1, 1942.

The Congress has on three previous occasions provided for the extension of the provision for reduced rates above referred to, the last act being Public, 672 of the Seventy-sixth Congress, approved June 29, 1940. The purpose of the reported bill is simply to extend the provisions of that act for 2 additional years, or until July 1, 1944.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

Federal Farm Loan Act, as amended, section 12, paragraph "Twelfth", first four sentences:

"Twelfth. Notwithstanding the provisions of paragraph "Second", the rate of interest on any loans on mortgages made through national farm-loan associations or through agents as provided in section 15, or purchased from joint-stock land banks, by any Federal land bank, outstanding on the date this paragraph takes effect or made through national farm-loan associations after such date, shall not exceed 3½ per centum per annum for all interest payable on installment dates [occurring within a period of seven years commencing July 1, 1935] occurring within a period of nine years commencing July 1, 1935; and no payment of the principal portion of any installment of any such loan outstanding on the date of the enactment of the Farm Credit Act of 1935 shall be required prior to July 11, 1938, if the borrower shall not be in default with respect to any other condition or covenant of his mortgage. The foregoing provisions shall apply to loans made by Federal land banks through branches, except that the rates of interest paid for the respective periods above specified shall be one-half of 1 per centum per annum in excess of the rates of interest paid during the corresponding periods by borrowers on mortgage loans made through national farm-loan associations. The Secretary of the Treasury shall pay each Federal land bank, as soon as practicable after October 1, 1933, and after the end of

each quarter thereafter, such amount as the Land Bank Commissioner certifies to the Secretary of the Treasury is equal to the amount by which interest payments, on mortgages held by such bank have been reduced, during the preceding quarter, by reason of this paragraph; but in any case in which the Land Bank Commissioner finds that the amount of interest payable by such bank during any quarter has been reduced by reason of the refinancing of bonds under section 32 of this Act, the amount of the reduction so found shall be deducted from the amount payable to such bank under this paragraph. No payments shall be made to a bank with respect to any period after June 30, [1942] 1944."

Emergency Farm Mortgage Act of 1933:

"REDUCTION OF DEBTS AND REDEMPTION OF FORECLOSED FARMS

"SEC. 32. The Reconstruction Finance Corporation is authorized and directed to allocate and make available to the Land Bank Commissioner the sum of \$200,000,000, or so much thereof as may be necessary, to be used for the purpose of making loans as hereinafter provided to any farmer, secured by a first or second mortgage upon the whole or any part of the farm property, real or personal, including crops, of the farmer. The amount of the mortgage given by any farmer, together with all prior mortgages or other evidences of indebtedness secured by such farm property of the farmer, shall not exceed 75 per centum of the normal value thereof, as determined upon an appraisal made pursuant to the Federal Farm Loan Act, as amended; nor shall a loan in excess of \$7,500 be made to any one farmer. For the purposes of this section, farm property may be valued at an amount representing a prudent investment, consistent with community standards and rentals, if (1) the person occupying the property is not entirely dependent upon farm income for his livelihood but receives a part of his income from other dependable sources, and (2) the farm income from the property, together with earnings from other dependable sources ordinarily available in the community to a person operating such property, would be sufficient to support his family, to pay operating expenses and fixed charges, and to discharge the interest and amortization payments on the loan. Every mortgage made under this section shall contain an agreement providing for the repayment of the loan on an amortization plan by means of a fixed number of annual or semiannual installments, sufficient to cover (1) interest on unpaid principal at a rate not to exceed 5 per centum per annum and (2) such payments equal in amount to be applied on principal as will extinguish the debt within an agreed period of not more than ten years, or, in the case of a first or second mortgage secured wholly by real property within an agreed period no greater than that for which loans may be made under the Federal Farm Loan Act, as amended, from the date the first payment on principal is due: *Provided*, That when in the judgment of the Land Bank Commissioner conditions justify it, any mortgage made under this section may provide that during the first three years the loan is in effect payments of interest only may be required if the borrower shall not be in default with respect to any other condition or covenant of his mortgage. No loan shall be made under this section unless the holder of any prior mortgage or instrument of indebtedness secured by such farm property arranges to the satisfaction of the Land Bank Commissioner to limit his right to proceed against the farmer and such farm property for default in payment of principal. Loans may be made under this section for any of the purposes for which Federal land banks are authorized by law to make loans, and for the following additional purpose, and none other: Refinancing, in connection with proceedings under chapter

VIII of the Bankruptcy Act of July 1, 1898, as amended, any indebtedness, secured or unsecured, of the farmer, or which is secured by a lien on all or any part of the farm property accepted as security for the loan. The provisions of paragraph "Ninth" of section 13 of the Federal Farm Loan Act, as amended (relating to charges to applicants for loans and borrowers from the Federal land banks), shall, so far as practicable, apply to loans made under this section. As used in this section, (1) the term "farmer" means any person who is at the time, or shortly to become, bona fide engaged in farming operations, either personally or through an agent or tenant, or the principal part of whose income is derived from farming operations or livestock raising, and includes a personal representative of a deceased farmer; (2) the term "person" includes an individual or a corporation engaged in the raising of livestock; and (3) the term "corporation" includes any incorporated association; but no such loan shall be made to a corporation (A) unless all the stock of the corporation is owned by individuals themselves personally actually engaged in the raising of livestock on the land to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if at least 75 per centum in value and number of shares of the stock of the corporation is owned by the individuals personally actually so engaged, and (B) unless the owners of at least 75 per centum in value and number of shares of the stock of the corporation assume personal liability for the loan. No loan shall be made to any corporation which is a subsidiary of, or affiliated (either directly or through substantial identity of stock ownership) with a corporation ineligible to procure a loan in the amount applied for. Until June 1, 1942, the Land Bank Commissioner shall, in his name, make loans under this section on behalf of the Federal Farm Mortgage Corporation, and may make such loans in cash or in bonds of the corporation, or if acceptable to the borrower, in consolidated farm loan bonds; but no such loans shall be made by him after June 1, 1942, except for the purpose of refinancing loans previously made by him under this section. As much as may be necessary of the assets of the corporation, including the bonds (and proceeds thereof) issued under section 4 of the Federal Farm Mortgage Corporation Act, may be used for the purposes of this section. Any Federal land bank, when duly authorized by the Land Bank Commissioner and the Federal Farm Mortgage Corporation, shall have the power to execute any instrument relating to any mortgage taken to secure a loan made or to be made under this section, or relating to any property included in any such mortgage, or relating to any property acquired by the Land Bank Commissioner and/or the Federal Farm Mortgage Corporation. Any such instrument heretofore or hereafter executed on behalf of the Land Bank Commissioner and/or the Federal Farm Mortgage Corporation by a Federal land bank, through its duly authorized officers, shall be conclusively presumed to have been duly authorized by the Land Bank Commissioner and the Federal Farm Mortgage Corporation.

Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940, and shall not exceed 3½ per centum per annum for all interest payable on installment dates occurring on or after July 1, 1940, and prior to July 1, [1942.] 1944.

[Here the gavel fell.]

Mr. H. CARL ANDERSEN. Mr. Speaker, I move to strike the last 2 words.

Mr. Speaker, I believe I am correct in stating that at least 80 percent of the farms throughout the Middle West have mortgages on them. Today, although the prices of farm products must remain where they were last year because of having ceilings placed upon them, farm labor has gone up in cost at least 25 percent. Consequently, it is very important that we do not at this time raise the existing rate of interest. The farmer wants to do his part to help win this war, but Congress must help him with a low interest rate, just as Congress has aided industry of all kinds. There surely will be no opposition to this very essential legislation.

(Mr. H. CARL ANDERSEN asked and was given permission to revise and extend his remarks in the Record.)

Mr. O'CONNOR. Mr. Speaker, I rise in opposition to the pro forma amendment.

Mr. Speaker, I am for this bill and will vote for its passage. I recall very distinctly that in years past the farmer was required to pay from 6 to 7 and sometimes as high as 8 percent interest, besides a cash commission, to the loan sharks of this country with the result that the farmer lost his farm and the loaning companies became the landlords of the country. If there is any one thing this Congress has done for which the country generally and the farmer in particular ought to be grateful, it is causing the reduced rate of interest to the farmers to the point where they are almost able to get along, providing he gets decent prices for his products.

As far as my experience has gone, I do not believe the farmer can really afford to pay 3½ percent. His cost of living has gone up, his taxes are going up, the cost of his help is going up when he can get any, and the price of everything he is required to buy in the form of machinery is going up.

Further, when the farmer brings to town a product he has to sell, he has to take the other fellow's price for it. He cannot say what he wants. He has to take what he gets, but when he buys a suit of clothes or a piece of machinery he has to pay the other fellow's price for it.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Louisiana.

Mr. BROOKS. I personally would be willing to vote for even a lower rate of interest to the farmer. I know that in my section of the country the farmers, working under the terms of this particular statute, meet their obligations and pay them. These loans are uniformly retired. I do not have the figures regarding the whole country, but I do know that in the State of Louisiana the farmers meet these obligations and meet them with reasonable promptness and satisfaction.

Mr. O'CONNOR. I thank the gentleman.

In the short time I have, I wish to supplement what the gentleman from Mississippi [Mr. RANKIN] said a few moments ago about the farmers furnishing many of the soldiers of this country.

They are doing this at the cost of their own women going out and doing the work. In my own district I hear from many of them, and their wives and daughters are in the fields working, taking the places of the boys gone overseas.

I read this morning to the House that a young man from a little county in Montana of less than 1,000 population, a county of the State of Montana that is almost unknown, was one of the 80 intrepid men who bombed Tokyo, which did more to shock the Japs and bring war home to them than anything that has happened. That is the class of people we have on the farms. They are patriotic. They will make any kind of sacrifice necessary to win this war now that we are in it.

Mr. MILLS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Louisiana.

Mr. MILLS of Louisiana. First, let me congratulate the gentleman. I have observed the gentleman in my experience here to be always interested in the farmers. He has always advocated a low rate of interest for farmers. I believe in giving a man flowers while he lives.

Mr. O'CONNOR. I thank the gentleman.

Mr. MILLS of Louisiana. I support this bill. Certainly this piece of legislation is far-sighted. I hold that the 3½ percent rate of interest might well be reduced.

Mr. O'CONNOR. It might even be dropped to 2 percent. The big merchants of the country get their money from the big banks at a rate as low as 1½ or even 1 percent. There is no doubt but what land is the best security for the repayment of money that we have. There has been very little loss incurred by the Federal land banks in connection with our loans to farmers. No doubt this is true largely because of the rate of interest the farmers are now paying. Thanks to the Congress that the big eastern newspapers and periodicals are belittling and defaming.

(Mr. O'CONNOR asked and was given permission to revise and extend his remarks in the Record.)

Mr. TALLE. Mr. Speaker, I move to strike out the last three words.

Mr. Speaker, I find it very easy to support this bill because I have introduced and urged the enactment of similar bills at each regular session of the Congress since I began my service in the House. In fact, my first speech in this chamber was in support of a bill of this character.

The bill which I introduced at the start of the present session—H. R. 6347—proposes—

To extend for 5 additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans.

My bill and the bill now under consideration are identical except that mine proposes to extend the time for 5 years instead of 2 years. There is something to be said for the longer period.

As I have stated on other occasions, the business of farming involves many fixed expenses. Taxes are a fixed charge; insurance is another; deprecia-

tion is a third. In addition interest on loans is a cost which hangs over the head of many a farmer.

These costs go on from day to day; they accumulate when the farmer works and when he sleeps, whether his crops are good or poor. To pay these expenses from year to year and other operating expenses as well is no small responsibility for the man who tills the soil. The risks attendant upon farming are great. Whatever relief the farmer can get from the uncertainties of his business will remove some wrinkles from his brow. The 5-year period would enable him to make relatively long-term plans insofar as his interest cost is concerned.

But, Mr. Speaker, I shall support this bill. And, in doing so, I do not maintain that the enactment of this measure will solve the problems of agriculture. I do contend, however, that it will contribute something to the solution.

(Mr. TALLE asked and was given permission to revise and extend his remarks in the Record.)

Mr. ROBSION of Kentucky. Mr. Speaker, I rise in support of this measure. As I understand, it extends the time for 2 years for which no more than 3½ percent interest can be charged on the Federal land bank loans and the Land Commissioner loans. Is not that right, Governor PIERCE?

Mr. PIERCE. Yes; on both groups of loans.

Mr. ROBSION of Kentucky. It has been very well said here that perhaps the farmers of this country will be hit by the war harder than almost any other group. Their sons are being taken from the farms to enter the armed forces of this country in great numbers, the cost of labor has greatly increased, and the cost of things they must buy have increased. They will receive much less for their wheat, corn, hogs, beef, and other products than they received in the last war. Not only the fathers, but the mothers and the sisters, must join in this great production effort in order to produce enough food to feed the country and our armed forces. They must rise early in the morning and work until late at night. It is a big job and a hard task.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield to our distinguished minority leader, the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. May I say that I am in favor of this legislation? I have always been in favor of low interest rates to the farmer, because I believe that is one way by which we can make a real contribution to his welfare. While I have the floor I want to compliment the gentleman from Kentucky not only for his splendid and effective service to the farmers, but also his able service to our country as well. I believe in so doing I voice the sentiments of everyone in this House.

Mr. ROBSION of Kentucky. I thank my friend for his words of commendation. I am pleased to know that our distinguished leader on the minority side is heartily in favor of this desirable legislation. I have always found our leader

working for the best interests of the farmer and the common people and for those measures which will best serve, in his honest opinion, the welfare of our country.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield to my friend from Ohio.

Mr. BROWN of Ohio. I think the gentleman from Kentucky might point out, in mentioning the effort being put forth by the farmers of America to help win this war, that the farmers of our section of the United States are actually working about 80 hours a week. A survey shows that the average number of hours put in each week by the average farmer in the Middle West is 80.

Mr. ROBSION of Kentucky. Yes; that is true, and we must encourage them and help them to carry the tremendous load they are now carrying and will continue to carry throughout the war.

The farmers of my district and my State, Republicans and Democrats, and farm organizations, have urged me to support this bill. I have not received a single word of opposition to it, and I am very happy to stand here and urge, as I believe it will, the unanimous approval of the House.

(Mr. ROBSION of Kentucky asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. JENNINGS. Mr. Speaker, I move to strike out the last four words.

Mr. Speaker, we now have under consideration H. R. 6315, the laudable purpose of which is to extend for 2 additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans. I shall support this measure because I think it is in the interest of national defense and in furtherance of our war efforts and as a matter of justice to the farmers of this country. Many of those who will be benefited, in fact, most of those who will be benefited by this measure, already have loans on their farms, and unless this measure is passed the increased rate on those loans may be advanced beyond the 3½ percent that they now carry.

This is no time to put an additional financial burden upon the farmers. Down in my country they have this expression with respect to the hours that a farmer works—he works from “can’t till can’t”—from before daylight until after dark. He gets up before day and he begins his day’s work before the day is begun, and his work is not finished until the sun has gone down and the shades of night have enveloped him, his farm, and his home. He never quits. He goes on in his partnership with the forces of nature and his efforts are as unbroken and unceasing as is the procession of the seasons and the equinoxes, and therefore we ought to do all we can to encourage him in this all-out effort that he has not only heretofore made, but is now making. In addition to this, he is presented with a labor problem that has no solution, because I see from reading the pronouncements of the authorities that there is to be no special deferment of the farm boys. They are being inducted into the Army just as other

boys. I know that they are being inducted at such a rate as makes it very difficult for the farmer to carry on his work. All this talk about just picking up labor here and there and putting it out on the farm is just a lot of hooey. Unless a boy is raised on the farm and knows which end of a mule to hook to the plow or a harrow or any other agricultural, horse-drawn vehicle, he is not of much benefit to a farmer. He would be as apt to hitch the head of the horse to the plow as the proper end of the horse, as the case may be. Not only that, but the farmer has additional hazards, he is up against the hazard of dry weather and of too much rain, so that we ought to do all we can for him, and I am glad to range myself with the membership of this House in support of this necessary and proper piece of legislation.

Mr. MURRAY. Mr. Speaker, I move to strike out the last word, and I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection? There was no objection.

Mr. MURRAY. Mr. Speaker, there are at least three very important reasons why the prevailing 3½ percent-interest rate for farm loans should be renewed for the 2-year period asked in the present bill.

First. Three and one-half percent interest is most assuredly a high enough rate of interest as long as banks pay but 1 to 2 percent on savings deposits. Land is the basis of all wealth and the reason the United States is a great country is because it has a large area of rich, productive fertile land which is the foundation of the wealth of the country.

Second. The President has asked that a ceiling of parity be established for farm products. There can then be no valid reason for raising the farmers’ costs of production by raising his interest rate at this time.

Third. The continuation of the 3½ percent-interest rate will indicate to the farmer that no attempt is being made to disturb his production costs by causing him to pay larger interest rates. In other words, it will create a much better feeling in the country if we maintain the present interest rates than it would if we used the war as an excuse for raising these interest rates. I think, then, from the administration’s own standpoint, it would be most desirable to extend the prevailing rate for the 2 years.

During the present session, we have had very extensive hearings on the administration’s proposal to enact rather comprehensive Federal loan legislation. In the main, it should be acceptable to the farmers and for the public welfare but it is doubtful if this is the opportune time to bring out such controversial legislation. If the proposed administration legislation was passed as presented with its proposed increased interest rates, I doubt if we would be making any contribution to unity or to the public welfare at this time. There is not any valid reason why we should not adopt a revised Federal loan program. It should be one that would give the borrower the advantage of a long-term agreement.

We would not have this question of interest rates coming up every year or two. This, however, does not seem to be the desirable time for this action.

While it was rumored in the Committee that the President would veto this bill, I call your attention to the fact that he did not veto similar legislation 2 years ago. I have enough confidence in the President to feel that he appreciates the agricultural situation sufficiently to support the present bill.

There should be no politics to this legislation and none should be injected. I hope some of our friends will be more considerate of this fact in the future than they have in the past.

In conclusion, let me repeat that, purely from the administration viewpoint, I sincerely think it is for the best interest of our country, the public, and the farmers, that this bill be passed without a dissenting voice.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. MURRAY. Yes.

Mr. CRAWFORD. Unless this bill is passed before June 30, would not the interest rate automatically increase from 3½ percent to what figure?

Mr. MURRAY. As I understand it, the Commissioner loans would increase on June 1 and would go to 5 percent normally, and some of the Federal loans would go as high as 6 percent—old loans.

Mr. CRAWFORD. The enactment of this bill before June 1 holds all loans, both commissioner and regular loans, first mortgage loans, at 3½ percent?

Mr. MURRAY. Yes.

Mr. CRAWFORD. Does the gentleman know any reason on earth why the American farmer should pay a higher rate of interest for the money that he uses in his capital structure than American industry is forced to pay for the use of credit and money used in its capital structure?

Mr. MURRAY. Coming from a rural section, perhaps I am somewhat prejudiced in that respect. Of course, what makes this a great country is that we have a large area of rich, fertile, productive land. That provides the safest place in the world to invest money, and the farmer is entitled to money as cheaply as any other group.

Mr. CRAWFORD. I think we can set aside all points of patriotism and all points of long hours of labor, and put it on the sole proposition that the American farmer is entitled to credit at as low a cost in the form of interest as any other part of American industry, and that is where I stand on this thing first, last, and all the time.

Mr. MURRAY. I agree with the gentleman.

Mr. ENGEL. Mr. Speaker, if I remember correctly, the Farm Tenant Act enables the tenant farmer to buy farms provided that loans be made at 1½ percent interest, did it not?

Mr. MURRAY. I think that is something we might very well take up after the emergency. It is 3 percent. We have had 100-percent loans at 3 percent, and there have been 75-percent loans at 4 percent, and 50-percent loans at 3½. At

some future time this whole problem should be solved.

Mr. ENGEL. And what interest do the banks demand on loans to T. V. A.?

Mr. MURRAY. I think the gentleman ought to be able to answer that himself. He has made an exhaustive study of these expenses as a member of the Appropriations Committee.

Mr. ENGEL. I am not an authority on that.

Mr. MURRAY. I will answer the question by saying that there are 100-percent loans at 3 percent and 75-percent loans at 4 percent, and 50-percent loans at 3½ percent. The amount of this money used on these tenant loans is so small in comparison to the total volume of farm mortgages that it is of little consequence because we have never appropriated very much money for that purpose.

I do think that fundamental changes in Federal farm loans should be made, but I think it should come when we have more time to consider it than we have at this time.

Mr. ENGEL. I am not arguing that the interest rate on the tenant farms should be increased, but I am arguing that reducing this rate to 3½ percent is not unreasonable.

Mr. MURRAY. I think everyone will admit that they should be the same.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. MURRAY. I yield.

Mr. MURDOCK. Does not this bill do the same as a bill passed in the Seventy-fifth Congress and in the Seventy-sixth Congress, holding the rate to 3½ percent?

Mr. MURRAY. Yes. This is the fourth time it has been extended—1937, 1938, 1940, and 1942.

Mr. MURDOCK. In view of the fact that Congress, by a large majority, has passed this legislation, and even passed it over a veto, does not the gentleman think that in time of war there is all the more reason for it?

Mr. MURRAY. I should think so.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. POWERS. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I ask unanimous consent that I may revise and extend my remarks and include therein a speech made by Lt. Gen. Brehon B. Somervell at the Pennsylvania Military College, Chester, Pa., on May 14, 1942, when General Somervell was awarded the honorary degree of doctor of military science.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. HULL. Mr. Speaker, this bill, or one of the same purpose, has been passed at four previous sessions of Congress. Two years ago it was vetoed by the President, but it was passed over the veto. Through these measures Congress has declared a policy of fair play to the farmers in the matter of interest rates. That declaration has been, and still is, that agriculture shall not pay the previous high rates on land bank and Commissioner loans while business and

industry, as well as the Government, are obtaining loans in billions at the lowest rates in history.

Recently there has been passed by Congress a measure authorizing an increase of loans by the Reconstruction Finance Corporation by \$5,000,000,000. There have been loaned and expended by that corporation more than \$12,000,000,000. Billions have been loaned to South American and other countries to bring them into alignment on a program against the Axis Powers. The total of land bank and Land Commissioner loans is even less than the loans to foreign countries.

There is every justification for this measure. It merely continues the declared policy of Congress by preventing an increase of interest rates on farm loans. It serves to bring some encouragement to farmers who are engaged in the greatest task ever imposed upon the agriculture of any country—that of food and fiber production, which is essential to winning the war. The response of the farmers to that demand has been prompt and patriotic. Now our farmers are feeding our own and millions of people in our allied nations, and adding to their production from day to day. "Food will win the war," and our agriculture battle line is being augmented daily.

The draw-backs under which the farmers are laboring can scarcely be estimated by those who are not from farming communities. In the short space of 18 months there have gone from the farms over 750,000 young men to serve in the Army and Navy. Many of them now are on foreign battle fronts, while those of their farm homes take over their work and carry on in their absence. More than 2,000,000 farm people have been called into war industries. More young men are going into our armed forces day by day as the war program calls for still larger numbers for munition and equipment factories. Daily the burdens of the farm become more difficult as the shortage of labor and lack of facilities grow more acute.

A recent survey in Wisconsin reveals that the farmers there are working an average of over 13 hours per day, or from 80 to 90 hours per week. There is no rest, no let-up, no sit-down strikes on the farm. The increased production for our own population and that of Europe and China is evidenced by daily reports. Our farmers are feeding our fighting forces at home and abroad, and not a complaint comes as to quantity and quality.

There are many aspects of the agriculture situation which are not under consideration in the discussion of this measure. There are other problems to be taken up and solved. But a unanimous vote on this bill will bring encouragement to those on the farms who work as they wait that Congress is not unmindful of what they are doing to win the war.

Mr. ROBERTSON of North Dakota. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I wish to call the attention of the Members to the fact that North Dakota is primarily an agricultural State, which consists of 73,897 farms with total value of \$489,973,948,

according to the 1940 census. The crop harvested and marketed for 1940 was valued at \$127,675,000.

Since the administration seems set on keeping the price of wheat below parity, I think it would be very unwise for the administration to enact any legislation that would require the farmers of my State to pay a higher interest rate. We have suffered for several years from low agricultural prices as well as drought, and our farmers are just beginning to get on their feet.

I am very much in favor of this legislation to continue the 3½ percent interest rate on farm loans for another 2 years. In checking over the old CONGRESSIONAL RECORDS, I find that this is the fourth time that this extension has been presented to Congress. I was pleased to note that during the times that the interest-rate question has been considered that only four Republicans opposed the extension the first year and only two Republicans the second year, and none the last time. As long as the banks are only paying 1 to 2 percent on savings deposits, I am sure that a 3½ percent interest rate is sufficiently high, and I hope that this bill can be passed unanimously.

(By unanimous consent, Mr. ROBERTSON of North Dakota was granted permission to revise and extend his remarks.)

[Mr. MOTT addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. HEALEY. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I ask unanimous consent to extend my remarks and include therein an address by the majority leader, Hon. JOHN W. McCORMACK, at the commencement exercises of Staley College in Boston.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. COFFEE of Nebraska. Mr. Speaker, I move to strike out the last two words.

Mr. Speaker, I am in favor of this bill to continue the 3½ percent interest rate for the next 2 years, although I realize that there is some question about it receiving final approval by the President.

All of us who are members of the Committee on Agriculture realize the importance and necessity of securing some permanent legislation that will strengthen the Federal land-bank associations and increase the efficiency of the cooperative Federal Land Bank System. I am anxious to see it placed on a sound self-sustaining basis so that it will be able to serve the agricultural credit needs of the country with interest rates comparable to those accorded other industries. Federal subsidies cannot be expected to continue indefinitely and it is hoped that some agreement can be reached soon that will establish a permanent policy with respect to the operation of the Federal Land Bank System. Our Committee on Agriculture has spent many months during the last 2

years in an effort to reach some agreement on this very controversial subject. Because of the lack of accord on permanent legislation, this continuing revolution is necessary until some agreement can be reached on the fundamental issues involved in the permanent legislation.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. COFFEE of Nebraska. I yield.

Mr. POAGE. There was no controversy, however, in the committee in regard to this bill? It was a unanimous report on this bill?

Mr. COFFEE of Nebraska. The gentleman is correct on that. We would like to have this rate continued. But within the next 2 years it is necessary to work out some permanent legislation pertaining to the Federal Land Bank System.

The committee, in general, has agreed on the principle that the interest rate charged should be 1½ percent above the cost of money, which would be sufficient to cover costs of operation.

We are in disagreement on the proposal to eliminate the stock ownership which many feel would destroy the cooperative features of the Federal Land Bank System.

Just a word about the \$500,000,000 of high-interest-rate Federal land-bank bonds that are held by the Federal Farm Mortgage Corporation. I think it is highly desirable that these bonds be refinanced so that the savings of approximately \$30,000,000 can be passed on to the Federal land banks. If those savings are passed on to the Federal land banks they may be reflected in reduction of interest to the borrowers or in dividends.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. COFFEE of Nebraska. I yield.

Mr. O'CONNOR. Is it not true that there has been very little loss, if any, on the part of loans that have been made to the farmers throughout the country, either by the Federal land bank or through the Commissioner loans?

Mr. COFFEE of Nebraska. The Federal Land Bank System has a very good record as a loaning institution, considering the plight of its borrowers during the depression.

I believe the cost of operation on the Federal land bank loans run between 1 and 1½ percent. On the Land Bank Commissioner loans the cost of operation and the losses sustained are relatively higher because in these cases loans are made up to 75 percent of the value; whereas Federal land bank loans are 50 percent of the value of the land.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. COFFEE of Nebraska. I yield.

Mr. AUGUST H. ANDRESEN. I do not think there should be any misunderstanding. The payments have picked up with the increase in the income of the farmers the past year. Prior to that time there were a good many delinquencies.

Mr. COFFEE of Nebraska. The gentleman is correct. The farm borrowers of this country will pay their debts if they are able to do so. The prices they

are now receiving for their products are sufficient to enable them to pay their interest.

[Here the gavel fell.]

Mr. JENSEN. Mr. Speaker, I move to strike out the last word.

The SPEAKER. The gentleman from Iowa is recognized for 5 minutes.

Mr. JENSEN. Mr. Speaker, it is very encouraging to we folks from Iowa and the other great agricultural States to see so much harmony in favor of the continuance of a 3½-percent interest rate on Federal farm loans, and to know there has not been a dissenting speech made against this bill. I know it will also be most encouraging to the farmers who have these loans, who number thousands upon thousands all over this great land. Will say here that I have not received a single letter in opposition to this bill.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. CUNNINGHAM. Is it not true that many farmers of Iowa and the Middle West will lose their farms if this bill is not passed, thereby being forced back to the old high interest rate on farm loans?

Mr. JENSEN. The gentleman from Iowa is right; naturally sooner or later that is exactly what would happen; it did happen in thousands of cases a few years back. Right now, of course, they are getting along pretty well, although everything they buy is up, and their prices are held down by the ceilings placed on farm products, the farmers' sons are leaving to serve their country, and they are losing a lot of their good hired help which means they have to hire replacement help at increased wages and often less efficient. Farming is an art these days, you must know the game to make it go. Again I say I am pleased at the reception this bill is receiving by Representatives from every section of the United States of America, and I know the people of the agricultural States, and the people of the greatest agricultural State—Iowa—will be highly pleased to know that such harmony exists in the House of Representatives in their favor on this bill to continue the present interest rate on Federal farm loans.

I thank you, my colleagues, in behalf of the farmers and the people of my district and State.

(Mr. GRANT of Alabama, Mr. COFFEE of Nebraska, and Mr. ROMJUE asked and were given permission to revise and extend their remarks.)

Mr. FULMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include as part thereof portions of the report of the committee.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DOMENGEAUX. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the Lafayette Advertiser.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MERRITT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial appearing in a Rockland County newspaper in reference to our former Postmaster General, Jim Farley.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

THE WIRE-TAPPING BILL

Mr. SABATH. Mr. Speaker, I call up House Resolution 487.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into a Committee of the Whole House on the state of the Union for the consideration of the House joint resolution (H. J. Res. 310) to authorize the Federal Bureau of Investigation of the Department of Justice, the Military Intelligence Division of the War Department, and the Office of Naval Intelligence of the Navy Department in the conduct of certain investigations in the interest of the prosecution of the war, to make use of intercepted communications without regard to the limitations contained in section 605 of the Communications Act of 1934 (48 Stat. 1103), and for other purposes. That after general debate, which shall be confined to the joint resolution and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of such consideration, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted and the previous order shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. SABATH. Mr. Speaker, I yield myself 10 minutes.

The SPEAKER. The gentleman from Illinois is recognized for 10 minutes.

Mr. SABATH. Mr. Speaker, this rule makes in order the so-called wire-tapping bill. We just passed a Treasury-tapping bill, but this is a wire-tapping bill.

The bill is approved and asked for by the Attorney General, the Secretary of War, and the Secretary of the Navy. I am very pleased to follow the recommendations of the Attorney General whom I regard as one of the best and most efficient officials that has served the Government during my long service. I feel that during the short period that he has been in office he has proven himself a man of exceptional ability and is rendering a real, valuable service to the country. Mr. Speaker, there is no opposition to the bill on the part of the labor organiza-

can now be exercised under the Price Control Act itself.

So it does not make very much difference, to my mind, whether we pass the bill as amended or do not pass it; but I do think it is important that the Senate realize, if they are going to put their O. K., so to speak, on the subsidy policy, that it is not going to work unless much more is done by way of changing the fiscal system, and including wages in the set-up. Personally, so far as I am concerned, if the Senate wants to disprove Mr. Henderson's new price fixing theory, I would vote for that, too, but if we are going to let him go on, I shall raise no objection to this bill, and I am rather inclined to give him the slight additional authority given by section 2.

Mr. DANAHER. The Senator will recall that in the Price Control Act we did authorize subsidy payments to R. F. C. creature corporations dealing in critical and strategic materials, but we also limited marginal payments authorized in section 3 to the purposes therein stated.

Now, if we were to implement the R. F. C. by granting it additional borrowing power, the use of the fund of \$5,000,000,000 would, at least, be limited to the purposes expressly stated in the original emergency Price Control Act, would they not?

Mr. TAFT. I think the purposes originally stated in the Emergency Price Control Act are broad enough to enable the Administrator to do any of the things we are now again proposing to authorize him to do. The Overman Act permits the President to transfer administrative powers to the R. F. C. and the Commodity Credit Corporation or to anyone else.

I asked Mr. Jones why he wanted this bill. He asked for the bill; Mr. Henderson did not. Mr. Jones appeared before our committee and wanted the bill. He was not satisfied with the exact powers of the Price Control Act, and wanted it clarified somewhat and direct power given to the R. F. C. I asked him why he wanted it, and it did not seem to me his answer was very convincing. This bill would make it a little clearer; it would make the law a little more definite; and he would not have to meet so many legal objections, but there are very few people in the administration who seem to be bothered by difficulties of legal construction.

Mr. DANAHER. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Ohio yield further to the Senator from Connecticut?

Mr. TAFT. I yield to the Senator from Connecticut.

Mr. DANAHER. I pursue the subject only a moment. I am not so certain that I agree altogether with the last answer given by the Senator from Ohio, particularly in the light of a comment by Mr. Hamilton, general counsel of the R. F. C., who pointed out—and I quote from page 24 of part I of the hearings—

These defense corporations have a right to buy and sell strategic materials at a loss. But this language would go beyond that. Furthermore—

And this is what is significant, it seem to me—

Furthermore, it contemplates assistance where the purpose is not strictly the stimulation of production.

So that were we to revert solely to the powers and purposes, particularly the purposes stated in section 3 of the Emergency Price Control Act, plus the authorization of the subsidy to the Reconstruction Finance Corporation creature corporations, we would be going, I think, as far as properly we should go in this direction.

Mr. TAFT. Mr. President, I conclude what I have to say. I do not think section 2 is of great importance. I am inclined to go along with the committee and support it because I think the bill makes Mr. Henderson's powers a little clearer. But if we do go through with it, we ought to be particularly careful that we are not supporting, or giving moral support, at least, to a new rigid system of price fixing. We are obligated, if we do that, to go on, first, to the fixing of wages, so that the whole rigid theory may be carried through; and, second, we are obligated to go on in some way to try to reduce the pressure on prices by adopting a reasonable taxation and bond-selling program, which will not load the commercial banks with an unlimited amount, say, \$30,000,000,000 a year, of Government bonds, with the resulting increase in deposits and the resulting increase in purchasing power. We ought to go all one way or we ought to go all the other. For the present, if the Senate wants to disapprove the whole Henderson theory, then, I think section 2 ought to be eliminated.

Mr. TAFT subsequently said: Mr. President, coincident with and in connection with my remarks earlier this afternoon in regard to the fixing of prices, I was just called to the telephone and talked to a member of the Schlachter Co., small packers of Cincinnati. He told me that at the present price of beef in Cincinnati, which is 22 cents a pound, his company, under the price ceiling set by the Price Administration for beef products, loses on every head of cattle it buys to slaughter. He advised me that this week he bought 26 cattle, whereas he usually buys about three times that number, simply to try to hold on to his trade, but at a loss on every head of cattle he has purchased. One of the other smaller packers of Cincinnati has gone out of business.

The method of fixing prices of products does not hold down the price of raw materials. The larger packers are willing to pay a little more; they will have to pay their profits mostly in taxes anyway, and they are able to carry on through this period, but unless something is done to adjust the situation in the packing industry, as in many other industries, all the smaller units will simply be forced out of business.

It seems to me essential that the Price Administrator proceed in accordance with the rules laid down in the price-control bill, and that he either raise the prices of products or that he fix the price of raw materials. The price of beef is today 22 cents in Cincinnati whereas the ceiling price on beef products under the price-control bill was fixed at 9.38 cents.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming [Mr. O'MAHONEY] that the bill be recommitted to the Committee on Banking and Currency.

Mr. BARKLEY. Mr. President, I desire to make a statement, but I should like to have the Senator from Wyoming present.

Mr. BROWN. I have sent for the Senator from Wyoming, and he will no doubt be in the Chamber within a short time.

Mr. BARKLEY. I desire to make a brief observation which may determine the course of the pending legislation in the immediate future.

The bill which is before the Senate is a House bill, which would merely increase the borrowing power of the Reconstruction Finance Corporation. As has already been stated, the Reconstruction Finance Corporation has made commitments which would almost absorb the \$5,000,000,000 by which we are asked to increase its lending power.

When the bill came to the Senate and was referred to the Committee on Banking and Currency, the other matters which now appear in the bill were brought before the committee as amendments. They have no direct relationship to the original bill, which merely increased the lending power of the Reconstruction Finance Corporation. They really affect the Price Control Act more than they affect the authority of the Reconstruction Finance Corporation. There was controversy in the committee over the amendments, and on them hearings were held—not lengthy, but I think rather good hearings.

The only controversy over the bill revolves around the committee amendments affecting the Price Control Act, the subsidies, and other things which have relation thereto. As the debate has proceeded, it has become obvious that there is some confusion, and a considerable amount of controversy, over the committee amendments, and the effect they would have upon the Price Control Act with respect to the subsidizing of businesses of various kinds which might be injured by the administration of the Price Control Act inevitably and unavoidably.

In view of all that, the Senator from Wyoming [Mr. O'MAHONEY] has made a motion to recommit the whole bill to the Committee on Banking and Currency, and my canvass of the situation in the Senate leads me to the conclusion that the motion will prevail if voted on as the bill stands.

I am sure that no one wishes to delay the enactment of that part of the bill which increases the borrowing power of the Reconstruction Finance Corporation, and for that reason I should regret to see the whole bill recommitted to the Committee on Banking and Currency, and any delay incurred in the passage of that portion of the bill, or of the remainder of it, for that matter, as delay would occur if the Committee on Banking and Currency must again go into the whole matter.

For these reasons I have suggested to the Senator from Wyoming and to the Senator from Michigan that we eliminate

the committee amendments and act upon the bill as it passed the House, increasing the borrowing power of the Reconstruction Finance Corporation, and let the Committee on Banking and Currency give further consideration, and if necessary hold further hearings, on the other aspects of the bill which are not directly related to the bill as it came originally from the House.

I myself think that would be better than to have the whole bill recommitted, and that part of it which is so essential and upon which commitments have already been made delayed while we are threshing out the other controversial features of the proposed legislation.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McNARY. I am in accord with the views expressed by the able leader of the Senate. I am sure there would be votes in sufficient number to recommit the bill. I certainly should support that action. But I believe that, with the elimination of the committee amendments, the bill should pass, and that it would pass if presented in that form. I rose to ask this question: Would the proposed action merely mean that we would disagree to the committee amendments and pass the bill as it came from the House?

Mr. BARKLEY. Yes. I believe it would be better for all interests concerned to do that, rather than have the entire bill recommitted, including that portion of it to which there is no serious objection, that it would be better to reject the committee amendments, about which there is controversy, and pass the bill as it came from the House, providing an increase in the authority of the Reconstruction Finance Corporation, because if the bill goes back to the committee, it would all have to be reconsidered anyway, and those who are interested in the proposals embodied in the amendments would be no worse off by their elimination now than they would be if the whole bill were recommitted to the Committee on Banking and Currency.

I should like to have the reaction of the Senator from Michigan. I stated a moment ago that I had conferred with him on the subject, as well as with the Senator from Wyoming.

Mr. BROWN. Mr. President, I wish to say to the Senator from Kentucky, and to the Senate, that I am satisfied, from a canvass of the Senate, that the motion made by the Senator from Wyoming would prevail, and I think it would be unfortunate, as has been stated by both the majority and minority leaders, to defer further the question of the \$5,000,000,000 increase in funds available to the R. F. C., an authorization which is badly needed.

If the Senator from Wyoming is willing to withdraw his motion, after consultation with the chairman of the Committee on Banking and Currency, the senior Senator from New York [Mr. WAGNER], I am agreeable to making a motion to reject the committee amendments and to pass the bill as it came from the House.

Mr. BARKLEY. I should have said, but I did not do so because I overlooked it, that I had conferred with the Senator from New York [Mr. WAGNER], chairman

of the Committee on Banking and Currency. The simple way to arrive at what seems to be the better policy is merely to reject the committee amendments when they are presented to the Senate, and then pass the bill as it was passed by the House.

Mr. O'MAHONEY. Mr. President, it is my understanding that the position taken now by the able Senator from Michigan, and the distinguished majority leader is that they will both ask the Senate to reject the amendments, and to pass the bill without any of the amendments, recommended by the Committee on Banking and Currency.

Mr. BARKLEY. That is the substance of the suggestion which I made, and which seems to be agreeable.

Mr. O'MAHONEY. I am altogether in accord with that request. My purpose in offering the motion to recommit was solely to provide a greater opportunity for the committee to study the amendments which were added by the Committee on Banking and Currency. My motion was not at all directed against the bill as it passed the House. Therefore, Mr. President, with that understanding, I withdraw my motion to recommit.

Mr. BARKLEY. Let me say also that the action which is now being suggested does not prejudice in any way the merits of the amendments which were presented by the committee.

Mr. O'MAHONEY. Of course not.

Mr. BARKLEY. It merely means they will be given a restudy by the committee, in view of the situation which has developed since they were reported.

Mr. O'MAHONEY. Mr. President, let me say in that connection that I made the motion in the first instance, after having said to the Senator from Michigan, that we all recognized the diligent study which he had given to this matter. I felt that there were objectives in the amendments which it might be desirable to attain. I felt that the amendments had not been sufficiently considered, because so many suggestions for altering the provisions had been made from the floor. I wish to make it clear that I am not attempting to prejudice the question upon its merits.

The PRESIDING OFFICER. The Senator from Wyoming [Mr. O'MAHONEY] withdraws his motion to recommit the bill to the Committee on Banking and Currency.

The question now reverts to the amendment of the Committee on Banking and Currency.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the third reading of the bill.

The bill (H. R. 7008) was ordered to a third reading, read the third time, and passed.

The amendment to the title was rejected.

E. P. CORLEY—CONFERENCE REPORT

Mr. BROWN submitted the following conference report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R.

4092) for the relief of E. P. Corley, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment, as follows: In lieu of the figures "\$500" insert "\$750"; and the Senate agree to the same.

PRENTISS M. BROWN,

JOSEPH ROSIER,

ARTHUR CAPPER,

Managers on the part of the Senate.

DAN R. McGEHEE,

THOMAS D. WINTER,

Managers on the part of the House.

The conference report was agreed to.

REDUCED RATES OF INTEREST ON AGRICULTURAL LOANS

Mr. BANKHEAD. Mr. President, I desire to have the Senate proceed to the consideration of a bill in which there is general interest, to extend the reduced rates of interest on Federal land bank and Land Bank Commissioner loans. We have passed measures similar to this from time to time. The House passed a similar bill yesterday, and it is now on the desk. I ask that the Chair lay before the Senate the bill passed by the House yesterday.

The PRESIDING OFFICER. The Chair lays before the Senate a bill coming over from the House of Representatives.

The bill (H. R. 6315) to extend for 2 additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans was read twice by title.

Mr. BANKHEAD. I move that the Senate proceed to the consideration of the bill just laid before the Senate.

The motion was agreed to, and the Senate proceeded to consider the bill.

Mr. BANKHEAD. Mr. President, I move to strike out all after the enacting clause, and to substitute Senate bill 2544.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and to insert the following:

Be it enacted, etc., That (a) the first sentence of paragraph twelfth of section 12 of the Federal Farm Loan Act, as amended (relating to the 3½-percent interest rate on Federal land bank loans), is amended by striking out "occurring within a period of 7 years commencing July 1, 1935," and inserting in lieu thereof "occurring within a period of 9 years commencing July 1, 1935."

(b) Said paragraph Twelfth, as amended, is further amended by inserting immediately following the second sentence of said paragraph the following: "The foregoing provisions shall also apply to interest on so-called purchase-money mortgages and on real-estate-sales contracts taken by the Federal land banks which is payable on installment dates occurring after June 30, 1942, except that in the case of such mortgages and contracts the rate of interest shall be one-half of 1 percent per annum in excess of the rate paid by borrowers on mortgage loans made through national farm loan associations."

(c) The fourth sentence of said paragraph Twelfth (relating to the 1942 time limit on payments made by the United States to land banks on account of such interest reduction), is amended to read as follows: "No payments shall be made to a bank with respect to any period after June 30, 1944."

SEC. 2. The last paragraph of section 32 of the Emergency Farm Mortgage Act of 1933, as amended (relating to reduction in the interest rate on loans by the Land Bank Commissioner), is amended to read as follows: "Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 percent per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940, and shall not exceed 3½ percent per annum for all interest payable on installment dates occurring on or after July 1, 1940, and prior to July 1, 1944. Notwithstanding the interest rate provided for in so-called purchase-money mortgages and real-estate-sales contracts taken by the Federal Farm Mortgage Corporation, the rate of interest payable on such mortgages and contracts shall not exceed 4 percent per annum for all interest on installment dates occurring on and after July 1, 1942, and prior to July 1, 1944."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 6315) was read the third time and passed.

Mr. BANKHEAD. I move that the Senate insist on its amendment, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BANKHEAD, Mr. HERRING, Mr. CLARK of Idaho, Mr. DANAHER, and Mr. BALL conferees on the part of the Senate.

Mr. BANKHEAD. I ask unanimous consent that Senate bill 2544 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the House insisted upon its amendment to the bill (S. 2250) to mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. STEAGALL, Mr. WILLIAMS, Mr. SPENCE, Mr. WOLCOTT, and Mr. CRAWFORD were appointed managers on the part of the House at the conference.

CELEBRATION OF TWO HUNDREDTH ANNIVERSARY OF BIRTH OF THOMAS JEFFERSON

Mr. BARKLEY. Mr. President, from the Committee on the Library, I report favorably, without amendment, Senate bill 2330, which is intended to enable the United States Commission for the Celebration of the Two Hundredth Anniversary of the Birth of Thomas Jefferson to carry out and give effect to certain approved plans. A few weeks ago we passed a House bill which was thought to effect the purposes sought in the Senate bill, but it turns out that that was the wrong bill, and that the Senate bill is the correct bill. I ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the United States Commission for the Celebration of the Two-hundredth Anniversary of the Birth of Thomas Jefferson, established by the joint resolution entitled "Joint resolution to establish a commission for the celebration of the two-hundredth anniversary of the birth of Thomas Jefferson", approved September 24, 1940 (hereinafter referred to as "the Commission"), is authorized and directed to prepare as a congressional memorial to Thomas Jefferson a new edition of the writings of Thomas Jefferson, including additional material and unpublished manuscripts preserved in the Library of Congress and elsewhere, at a cost not to exceed \$15,000 for the preparation of the manuscript.

SEC. 2. (a) The Commission is authorized and directed to—

(1) arrange for memorial meetings and exercises in the year 1943 in the city of Washington and other cities and places in the United States particularly associated with the memory of Thomas Jefferson, and in universities, schools, and colleges throughout the United States; to carry out and give effect to the approved plan and program heretofore submitted to the Congress, at a cost not to exceed \$10,000;

(2) to prepare and produce for use at such memorial meetings and exercises a motion picture of the main events in the life of Thomas Jefferson at a cost not to exceed \$10,000;

(b) to carry out the provisions of this section only the Commission is authorized to have printing, binding, lithographing, and other work done at establishments other than the Government Printing Office.

SEC. 3. The Commission is authorized to employ, without regard to the civil-service laws, and without regard to the Classification Act of 1923, as amended, to fix the compensation of an historian, an executive secretary, and such assistants as may be needed for stenographic, clerical, and expert service within the appropriations made by Congress from time to time for such purposes, which appropriations are hereby authorized.

SEC. 4. In carrying out the provisions of this or any other act relating to the celebration of the two-hundredth anniversary of the birth of Thomas Jefferson, the Commission is authorized to procure advice and assistance from any governmental agency, including the services of technical and other personnel in the executive departments and independent establishments, and to procure advice and assistance from and to cooperate with individuals and agencies, public or private. The Superintendent of Documents shall make available to the Commission the facilities of his office for the distribution of the portraits herein authorized.

SEC. 5. The members and employees of the Commission shall be allowed actual traveling, subsistence, and other expenses incurred in the discharge of their duties. All expenses of the Commission shall be paid by the disbursing officer of the Commission upon vouchers approved by the chairman of the executive committee of the Commission.

SEC. 6. Unexpended balances of appropriations authorized under the provisions of this act shall remain available until expended.

SEC. 7. The United States Commission for the Celebration of the Two-Hundredth Anniversary of the Birth of Thomas Jefferson may hereafter be referred to as the "Thomas Jefferson Bicentennial Commission."

ANTITRUST LAWS—NOTICE OF HEARING OF SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY

Mr. O'MAHONEY. Mr. President, earlier in the day the distinguished senior Senator from New York [Mr. WAGNER] asked for the appointment of conferees on the so-called little-business bill, Senate bill 2250. I made mention of the fact yesterday that while this measure was under consideration in the House an amendment was added the purpose of which is to exempt from the antitrust laws certain corporations and individuals who may be engaged upon war contracts. The substance of that provision was under consideration in the Judiciary Committee of the Senate, a subcommittee having been appointed and having had several conferences with the Department of Justice.

I desire to announce in the presence of the Senator from New York that the subcommittee is to hold a hearing tomorrow morning at 10 o'clock in the Judiciary Committee room, at which will appear the Attorney General, Mr. Biddle, and the Under Secretary of War, Mr. Patterson. I think it would be helpful if the Senate conferees on the little-business bill, or at least one or more of them, appear at that hearing. What may be developed, of course, I have no means of knowing. It is quite conceivable that the Committee on the Judiciary might desire to make recommendations to the conferees. It might indeed be desirable to ask the conferees on the part of the Senate to reject the amendment which was added in the House. I do not suggest now that that request will be made, but I think it would be helpful to the full consideration of this measure if the conferees should be present, because they might feel that it may be a happy solution if the recommendation of the Judiciary Committee be adopted by the Senate conferees instead of precipitating a disagreement.

Mr. HUGHES. Mr. President, with reference to the matter to which the Senator is speaking, the members of the subcommittee, of which I appear to be the chairman, and of which the Senator from New York [Mr. WAGNER], the Senator from Connecticut [Mr. MALONEY], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Ohio [Mr. TAFT] are members, will attend the hearing tomorrow morning, and I announce to the other members that this will be notice to them that the Senate conferees will attend the hearing to be held in the Judiciary Committee room.

Mr. O'MAHONEY. I thank the Senator from Delaware.

Mr. WAGNER. The Senator from New York certainly will be present.

THE CALENDAR

Mr. BARKLEY. I ask unanimous consent that the Senate proceed to the consideration of bills on the calendar to which there is no objection, beginning with Calendar No. 1353, at which point we ended consideration of bills at the last call of the calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will proceed to state the bills

on the calendar, beginning with Calendar No. 1353, on page 7.

HAROLD W. BURCH AND LUCILLE M. BURCH

The bill (H. R. 5955) for the relief of Harold W. Burch and Lucille M. Burch was considered, ordered to a third reading, read the third time, and passed.

FRANCIS CORWIN CIRCLE

The Senate proceeded to consider the bill (H. R. 5070) for the relief of Francis Corwin Circle, which had been reported from the Committee on Claims with an amendment on page 1, line 6, after the words "sum of", to strike out "\$7,500", and to insert "\$4,110.85."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

RUTH D. AND HENRY L. BRITTINGHAM

The Senate proceeded to consider the bill (S. 2273) for the relief of Ruth D. and Henry L. Brittingham, which had been reported from the Committee on Claims with an amendment on page 1, line 7, after the words "sum of", to strike out "\$7,349.20" and to insert "\$5,499.20", and in line 8, after the words "sum of", to strike out "\$4,500" and to insert "\$3,084.40", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ruth D. Brittingham, of Washington, D. C., the sum of \$5,499.20 and to Henry L. Brittingham, of Washington, D. C., the sum of \$3,084.40, in full settlement of all claims against the United States for personal injuries and property damage sustained by them when the automobile in which they were riding was struck by a United States Army truck on August 2, 1941, while traveling along United States Highway No. 113, near Dover, Del.: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

OWYHEE RECLAMATION PROJECT,
OREGON

The bill (H. R. 5142) to authorize the Secretary of the Interior to investigate the claims of any landowner or water user on the Owyhee reclamation project, Oregon, arising in 1940 by reason of a break in the North Canal of such project, was considered, ordered to a third reading, read the third time, and passed.

RELATIVE RANK OF MEMBERS OF NAVY
NURSE CORPS

The Senate proceeded to consider the bill (S. 2454) to prescribe the relative rank of members of the Navy Nurse Corps in relation to commissioned officers of

the Navy, and for other purposes, which had been reported from the Committee on Naval Affairs, with an amendment on page 1, line 7, after the word "superintendent", to insert "not to exceed 1 for each 300 members of the Navy Nurse Corps", so as to make the bill read:

Be it enacted, etc., That hereafter the members of the Navy Nurse Corps shall have relative rank as follows:

(a) The superintendent, the relative rank of lieutenant commander.

(b) The assistant superintendents, not to exceed 1 for each 300 members of the Navy Nurse Corps, the relative rank of lieutenant.

(c) Chief nurses, the relative rank of lieutenant (junior grade).

(d) Nurses, the relative rank of ensign.

SEC. 2. As regards medical and sanitary matters and all other work within the line of their professional duties, the members of the Navy Nurse Corps shall have authority in and about naval hospitals and other medical activities next after the commissioned officers of the Medical Corps and Dental Corps of the Navy. The Secretary of the Navy shall make the necessary regulations prescribing the rights and privileges conferred by such relative rank.

SEC. 3. The Secretary of the Navy shall fix the money value of the uniforms which members of the Navy Nurse Corps are required to have upon their first appointment in the Navy: *Provided,* That he may authorize such uniforms to be issued in kind or, in lieu thereof, that payment in cash of the money value fixed in accordance with the foregoing be made to members so appointed, for the purchase of such uniforms;

SEC. 4. In time of war or when the Secretary of the Navy shall direct the wearing of uniforms at all times, he may fix the money value of additional outdoor uniforms which may be issued in kind to all members of the Navy Nurse Corps, or authorize payment in cash in lieu thereof for the purchase of such outdoor uniforms as may be prescribed by the United States Navy Uniform Regulations: *Provided,* That but one complete uniform outfit may be furnished to a member of the Navy Nurse Corps.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. WALSH subsequently said: Mr. President, in view of the fact that there is special interest in Calendar No. 1357, Senate bill 2454, to prescribe the relative rank of members of the Navy Nurse Corps in relation to commissioned officers of the Navy, and for other purposes, I ask that the report of the committee be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The report (No. 1316) is as follows:

The Committee on Naval Affairs, to whom was referred the bill (S. 2454) to prescribe the relative rank of members of the Navy Nurse Corps in relation to commissioned officers of the Navy, and for other purposes, having considered the same report favorably thereon with an amendment, and recommend that the bill as amended do pass.

Amend the bill as follows:

Page 1, line 7, after the comma following the word "superintendents" insert the following: "not to exceed one for each 300 members of the Navy Nurse Corps."

The purpose of the bill is to prescribe the relative rank of members of the Navy Nurse Corps, and to authorize the Secretary of the Navy to fix the money value of the required uniforms which may be issued in kind, or authorize payment in cash in lieu thereof,

for the purchase of such uniforms, to members of the Navy Nurse Corps.

The Navy Nurse Corps was established by the act of May 13, 1908 (35 Stat. 146), which provides in part that "the superintendent, chief nurses, and nurses shall respectively receive the same pay, allowances, emoluments, and privileges as are now or may hereafter be provided by or in pursuance of law for the nurse corps (female) of the Army." The Navy Nurse Corps is composed of graduate trained nurses within the Medical Corps of the Navy. They are appointed from the graduates of hospital training schools subject to an examination as to their professional, moral, mental, and physical fitness. They perform duty in naval hospitals, aboard hospital and ambulance ships, and in such other places as deemed necessary by the Surgeon General of the Navy.

The status of the Navy Nurse Corps at the present time is most unsatisfactory and confused. The status of its members, with relative rank appropriate to the different grades, has never been admitted or recognized in a legal manner. Consequently, each new question regarding the status of the Navy Nurse Corps has to be decided as it arises. This results in confusion and uncertainty.

By granting members of the Navy Nurse Corps relative rank, as is the case in the Army, all vexing questions which arise from time to time about their status would be answered automatically. The Navy Department is of the opinion that granting members of the Navy Nurse Corps relative rank would be in the best interests of the Navy and would tend to increase efficiency in the performance of their professional duties.

THE COMMITTEE AMENDMENT

The committee amended the bill to limit the number of assistant superintendents, with the relative rank of lieutenant, to 1 for each 300 members of the Navy Nurse Corps. It will be noted that only 1 superintendent, with relative rank of lieutenant commander, is authorized.

The bill was introduced at the request of the Navy Department and has been cleared by the Bureau of the Budget.

AMENDMENT OF COAST GUARD AUXILIARY AND RESERVE ACT OF 1941

The Senate proceeded to consider the bill (S. 2490) to amend the Coast Guard Auxiliary and Reserve Act of 1941 (Public Law 8, 77th Cong.), as amended by section 10 of the act entitled "An act to amend and clarify certain acts pertaining to the Coast Guard, and for other purposes," approved July 11, 1941 (Public Law 166, 77th Cong.), which had been reported from the Committee on Naval Affairs with amendments, on page 2, line 3, after the word "section", to strike out "3" and insert "8"; and on page 3, line 14, after the word "pay", to insert "and without regard to age", so as to make the bill read:

Be it enacted, etc., That the Coast Guard Auxiliary and Reserve Act of 1941, approved February 19, 1941 (Public Law 8, 77th Cong., 1st sess.), as amended by section 10 of the act entitled "An act to amend and clarify certain acts pertaining to the Coast Guard, and for other purposes," approved July 11, 1941 (Public Law 166, 77th Cong., 1st sess.), is hereby further amended as follows:

(1) Section 8. In the second sentence thereof, delete the words "upon investigation by a board of not less than three commissioned officers of the regular Coast Guard"; and insert after the word "determined" in the fifth full line of said second sentence the words "under regulations prescribed by the Commandant", so that said second sentence as amended shall read as follows: "The term

propaganda and prejudice on the subject of parity, wages, and kindred subjects, that it occurred to me a few facts might be in order. On the 15th of May I asked the Secretary of Agriculture to supply me with the historical facts on wages and farm prices over a period of years, and particularly for the war years. The result I have here and it should be of general interest.

Using the 1909-14 years as a base with an index of 100, these figures show that in 1914 earnings of factory workers stood at 105.5 and farm prices at 101.

In 1919 earnings of factory workers stood at 225.6 and farm prices at 213.

That was the peak for farm prices. In 1920 wages went up to 273.3, and farm prices receded to 211. Next year, the big slump came; wages going back to 239.1, while farm prices crashed to 125.

That was the story of World War No. 1. Now compare the story of World War No. 2.

In 1939, earnings of factory workers were 304.3 of the 1909-14 level, while farm prices were only 93 percent of that level.

In 1941, last year, wages went to 348, up 44 points, while prices received by farmers went to 122, up 29 points, but leaving farm prices at about one-third of an equitable relationship based on the parity period of 1909-14.

Parity, it should be remembered, is an equitable relationship and is not a fixed figure. It is designed to express the ratio between what a farmer has to buy and what he has to sell. These figures, prepared by the Bureau of Agricultural Economics, are an amazing revelation that not only are farm prices far below the level of wages in fixed dollars, but that they are only a fraction of wages in terms of purchasing power and far below World War No. 1 ratios. And his memory is dull who does not recall the World War \$2.20 wheat. Today it is \$1.20.

Yet the staggering truth is that in the entire field of national endeavor, the farmer was the one individual who was most ready to do his job in this war. We have had a shortage of almost everything except food. The farmer, most under-compensated class in the country, has done his job the best.

Mr. Speaker, because of their general interest, I ask permission to insert the brief letter and table from the Secretary of Agriculture at this point:

DEPARTMENT OF AGRICULTURE,
Washington, May 26, 1942.

HON. FRANCIS CASE,
House of Representatives.

DEAR MR. CASE: In response to your letter of May 15, I have had prepared and am sending you a table showing index numbers of hourly earnings of factory workers and of prices received by farmers for the periods 1914-22 and 1939-42.

I am also enclosing three charts which show the changes in prices received by farmers and in industrial wage rates during the first World War and during the present war.

Sincerely yours,

CLAUDE R. WICKARD,
Secretary.

Hourly earnings of factory workers and prices received by farmers, United States, 1914-22 and 1939-42

[Index numbers]

Year or month	Hourly earnings of factory workers (1910-14=100)	Prices received by farmers (August 1909-July 1914=100)
WORLD WAR NO. 1		
1914.....	105.5	101
1915.....	108.3	98
1916.....	123.3	118
1917.....	147.1	175
1918.....	192.8	202
1919.....	225.6	213
1920.....	273.3	211
1921.....	239.1	125
1922.....	219.9	132
WORLD WAR NO. 2		
1939.....	304.3	93
1940.....	316.7	98
1941.....	348.0	122
January 1942.....	378.4	149
February 1942.....	379.6	145
March 1942.....	146
April 1942.....	150

Source: Division of Statistical and Historical Research, Bureau of Agricultural Economics.

[Here the gavel fell.]

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include the figures I have referred to and also the letter from the Secretary of Agriculture.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. ROBSION of Kentucky. Mr. Speaker, I had a special order for today. I now ask unanimous consent that that may be put over until next Wednesday.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

LINDBERGH FLIGHT ANNIVERSARY

Mr. LAMBERTSON. Mr. Speaker, 15 years ago yesterday Charles A. Lindbergh landed in Paris after the first solo flight over the Atlantic. This feat thrilled the world. He immediately became the hero of every small boy in America. I have tried to think many times if there were ever any other single heroic act in the world that equaled it—certainly nothing where no lives were lost nor damage intended.

These past 15 years have had a tremendous development in aviation, but nothing possibly to come will ever dim this heroic accomplishment of 15 years ago. We might say with justification that half the men in the flying armed forces got their inspiration from this lone eagle.

The after acclaim accorded Charles Lindbergh found in him an unparalleled modesty which indelibly recorded his further greatness. America was proud of him, and I think it is only fitting that we should remember this anniversary.

I remember the night after the morning he took off. His infinity so permeated the air that the referee at Madison Square Garden boxing matches asked that huge crowd to stand a minute in silent prayer for his safe arrival. This, to my notion, was one of the greatest demonstrations of humanity's finest hopes.

EXTENSION OF REMARKS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of post-war plans and to include therein two addresses, one by James Max Weiss and one by Norman Thomas. The latter two would cost, according to the statement of the Public Printer, \$90.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix and to include a brief magazine article from the Kiwanis magazine.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. COFFEE of Nebraska. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a short editorial.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. PAGÁN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include some newspaper editorials.

The SPEAKER. Is there objection to the request of the gentleman from Puerto Rico?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. KEFAUVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a brief address by Dr. Laws.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

[The matter referred to appears in the Appendix.]

FEDERAL LAND BANK AND LAND BANK
COMMISSIONER LOANS

Mr. FULMER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6315) to extend for 2 additional years the reduced rates of interest on Federal land banks and Land Bank Commissioner loans, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. FULMER, FLANNAGAN, PIERCE, HOPE, and KINZER.

PUBLICATION OF INVENTIONS OF
NATIONAL INTEREST

Mr. LANHAM. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2427), relating to preventing the publication of inventions in the national interest, and for other purposes, which I send to the desk.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the act of Congress approved July 1, 1940 (Public, No. 700, 76th Cong., 3d sess., ch. 501), be amended to read as follows:

"Sec. 2. This act shall take effect on approval and shall remain in force during the time when the United States is at war."

The SPEAKER. Is there objection?

Mr. MICHENER. Mr. Speaker, I reserve the right to object, and ask the gentleman from Texas to make an explanation.

Mr. LANHAM. Mr. Speaker, in the Seventy-sixth Congress we passed a law to keep secret inventions primarily useful for national defense, a law in no way controversial. In the Seventy-seventh Congress we passed an amendment to make that law more effective. That law by its terms expires on the 1st of July, and this Senate bill, with the House amendment, merely extends the operation of that law and the amendment thereto for the duration of the war.

Mr. MICHENER. Mr. Speaker, will the gentleman indicate how we are to determine the duration of the war?

Mr. LANHAM. After the duration of the war the law will terminate automatically, by reason of the fact that we have in the patent law certain regulations to which we will revert when the war is over, and this law by its terms provides that this act shall take effect on its approval and shall remain in force during the time the United States is at war. By its terms it is not operative any longer than the end of the war.

Mr. MICHENER. It is very difficult sometimes to know just when a war ends.

Mr. LANHAM. I may say to my friend that, of course, we can determine that definitely later, but I think as a matter of fact this should be made permanent legislation.

Mr. MICHENER. That is what we are getting at. Is it the purpose to make it permanent legislation?

Mr. LANHAM. Not at this time. The legislation is to terminate at the end of the war.

Mr. MICHENER. Usually there is a provision in such a bill providing that after the President's proclamation of peace the law shall be of no further force and effect.

Mr. LANHAM. If the gentleman wishes to submit such an amendment, I have no objection to it, but I am sure that by perusal of the law the gentleman would conclude that it should be permanent legislation, but it would require legislative action at the end of the war to make it so.

Mr. MICHENER. Of course, I rely on what the gentleman has said.

Mr. LANHAM. I am sure that we are all of one mind about the necessity for and the importance of this legislation.

The SPEAKER. Is there objection to the request of the gentleman from Texas? There was no objection.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 6, after the word "and", insert "together with the provisions of the act of August 21, 1941 (Public Law 239, 77th Cong., 1st sess., ch. 393)."

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

PAY AND ALLOWANCE FOR CADETS IN
UNITED STATES MILITARY ACADEMY
IN AVIATION INSTRUCTION

Mr. ANDREWS. Mr. Speaker, by agreement with the chairman on the majority of the members of the Committee on Military Affairs, which committee is now in executive session, I ask unanimous consent to take from the Speaker's table the bill S. 2446, to prescribe the pay and certain allowances for cadets of the United States Military Academy undergoing flight training and aviation instruction, and for other purposes, with a committee amendment.

The SPEAKER. Is there objection?

Mr. MICHENER. Mr. Speaker, will the gentleman explain to the House in understandable language just what this amendment does?

Mr. ANDREWS. There has been a certain change in the curriculum at the Military Academy, which provides for the aviation training of certain cadets at the academy, and this bill provides for additional pay and certain allowances for those cadets who are in flight training. It is necessary in order to straighten out the account to have this authorization.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That during such time as cadets of the United States Military Academy are undergoing flight training and aviation instruction they shall receive the same base pay as is now or may hereafter be provided for Army aviation cadets, which pay shall include extra pay for flying risk, as provided by law, and shall be issued at Government expense the necessary aviation

clothing and equipment for such training; during the course of such training when not quartered at the Military Academy they shall receive the same allowances for travel, subsistence, and quarters as are now or may hereafter be provided for Army aviation cadets; and during the course of such training they shall be entitled to the same insurance benefits as are provided by the act of June 3, 1941 (Public Law 99, 77th Cong.), for enlisted men of the Army detailed as aviation students: *Provided,* That, upon completion of the prescribed training as aviation students, and until permanently relieved from duty involving participation in regular and frequent aerial flights, the insurance provided shall continue, but the premiums shall be deducted from the pay of the individual concerned and paid as the Secretary of War may direct to the Administrator of Veterans' Affairs; and upon being permanently relieved from duty involving participation in regular and frequent aerial flights, the insurance may be continued at the option and at the expense of the individual concerned.

With the following committee amendment:

Page 1, line 4, after the word "training", strike out "and aviation instruction they shall receive the same base pay as is now or may hereafter be provided for Army aviation cadets, which pay shall include extra pay for flying risk, as provided by law, and" and insert "involving participation in regular and frequent aerial flights they."

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "An act to prescribe certain allowances for cadets of the United States Military Academy undergoing flight training, and for other purposes."

A motion to reconsider the vote by which the bill was passed was laid on the table.

PERMISSION TO RECEIVE MESSAGE FROM
THE SENATE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that, notwithstanding the adjournment of the House, the Clerk be authorized to receive a message from the Senate and that the Speaker be authorized to sign the enrolled bill of the Senate, S. 2508.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my own remarks on the subject of gasoline rationing in the Midwest.

The SPEAKER. Is there objection?

There was no objection.

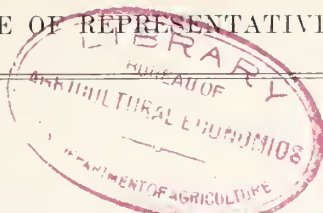
[The matter referred to appears in the Appendix.]

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of gasoline rationing.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]



EXTENSION OF REDUCED INTEREST RATES ON FEDERAL LAND-BANK AND LAND BANK COMMISSIONER LOANS

JUNE 8, 1942.—Ordered to be printed

Mr. FULMER, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 6315]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6315) to extend for two additional years the reduced rates of interest on Federal land-bank and Land Bank Commissioner loans, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate; and agree to the same.

H. P. FULMER,
JOHN W. FLANNAGAN, Jr.,
WALTER M. PIERCE,
CLIFFORD R. HOPE,
J. ROLAND KINZER,
Managers on the part of the House.

J. H. BANKHEAD,
CLYDE HERRING,
D. WORTH CLARK,
Managers on the part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6315) to extend for 2 additional years the reduced rates of interest on Federal land-bank and Land Bank Commissioner loans, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House bill and the Senate amendment both extended for 2 additional years, or from July 1, 1942, to July 1, 1944, the 3½ per centum annual interest rate on Federal land-bank and Land Bank Commissioner loans. The Senate amendment also provided that the same reduced interest rate should be applicable to interest on so-called purchase-money mortgages and on real estate sales contracts taken by Federal land banks which is payable on installment dates occurring after June 30, 1942, except that the rate of interest on such mortgages and contracts should be one-half of 1 per centum per annum in excess of the rate paid by borrowers on mortgage loans made through national farm loan associations. The Senate amendment also provided that in the case of such mortgages and contracts taken by the Federal Farm Mortgage Corporation, the rate of interest payable thereon should not exceed 4 per centum per annum for all interest payable on installment dates occurring on and after July 1, 1942, and prior to July 1, 1944. There were no corresponding provisions in the House bill. The House recedes.

H. P. FULMER,
JOHN W. FLANNAGAN, Jr.,
WALTER M. PIERCE,
CLIFFORD R. HOPE,
J. ROLAND KINZER,
Managers on the part of the House.

June 1, 1942, notwithstanding the fact that it is two-thirds of a page over the customary two pages, and the excess cost will be \$30.

The SPEAKER. Is there objection?
There was no objection.

[The matter referred to appears in the Appendix.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD on two subjects and include therein certain excerpts.

The SPEAKER. Is there objection?
There was no objection.

[The matters referred to will appear hereafter in the Appendix.]

(By unanimous consent, Mr. TRAYNOR and Mr. ARENDS were granted permission to extend their own remarks in the RECORD.)

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include letters written by me to Secretary Ickes and to Mr. J. J. Pelley, together with Mr. Pelley's reply.

The SPEAKER. Is there objection?
There was no objection.

[The matter referred to appears in the Appendix.]

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks on two subjects and in one to include a short excerpt, and in the other an article about Alaska.

The SPEAKER. Is there objection?
There was no objection.

[The matters referred to will appear hereafter in the Appendix.]

Mr. RICH. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the RECORD a statement made by the Governor of Pennsylvania on how they are trying to change the system of voluntary ration boards by substituting for them boards made up of paid Government political henchmen. I think the Members of Congress should read it. The voluntary system should be continued.

The SPEAKER. Is there objection?
There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. O'TOOLE. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes on Tuesday, June 9, after the conclusion of the legislative business and any other special orders that may have been entered.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a commencement address I delivered last Thursday evening.

The SPEAKER. Is there objection?
There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my own remarks, and to include certain newspaper and magazine articles.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. RANKIN addressed the House. His remarks will appear hereafter in the Appendix.]

FEDERAL LAND BANK AND COMMISSIONER LOANS

Mr. FULMER submitted the following conference report and statement on the bill (H. R. 6315) to extend for 2 additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans, for printing under the rules:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6315) to extend for two additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate; and agree to the same.

H. P. FULMER,
JOHN W. FLANNAGAN, JR.,
WALTER M. PIERCE,
CLIFFORD R. HOPE,
J. ROLAND KINZER,

Managers on the part of the House.

J. H. BANKHEAD,
CLYDE HERRING,
D. WORTH CLARK,

Managers on the part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6315) to extend for 2 additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House bill and the Senate amendment both extended for 2 additional years, or from July 1, 1942, to July 1, 1944, the 3½ per centum annual interest rate on Federal land bank and Land Bank Commissioner loans. The Senate amendment also provided that the same reduced interest rate should be applicable to interest on so-called purchase-money mortgages and on real estate sales contracts taken by Federal land banks which is payable on installment dates occurring after June 30, 1942, except that the rate of interest on such mortgages and contracts should be one-half of 1 per centum per annum in excess of the rate paid by borrowers on mortgage loans made through national farm loan associations. The Senate amendment also provided that in the case of such mortgages and contracts taken by the Federal Farm Mortgage Corporation, the rate of interest payable thereon should not exceed 4 per centum per annum for all interest payable on installment dates occurring on and after July 1, 1942, and prior to July 1,

1944. There were no corresponding provisions in the House bill. The House recedes.

H. P. FULMER,
JOHN W. FLANNAGAN, JR.,
WALTER M. PIERCE,
CLIFFORD R. HOPE,
J. ROLAND KINZER,

Managers on the part of the House.

Mr. FULMER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 6315) to extend for 2 additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans, and ask that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the statement of the managers on the part of the House.

Mr. FULMER. Mr. Speaker, this bill was passed by the House some few days ago. It extends the 3½ percent interest rate for 2 years. The Senate added an amendment which would include contract and purchase-money mortgage transactions not to exceed an interest rate of 4 percent.

The Federal land banks and the Federal Farm Mortgage Corporation acquire real estate in the liquidation of loans which break down. When the bank or the Corporation resells the property they acquire in this way, ordinarily the buyer does not pay the full amount of the purchase price in cash; ordinarily he makes a part payment in cash and secures the balance of the purchase price either with a purchase-money mortgage or under a real-estate sales contract. Whether the transaction will take the form of a purchase-money mortgage or a real-estate sales contract depends to a large degree upon local laws and customs.

Where a purchase-money mortgage is given, the buyer becomes the owner of the property and gives back a purchase-money mortgage to secure the unpaid balance of the purchase price. Where a real-estate sales contract is given, rather than a purchase-money mortgage, the bank or the Corporation retains title to the property, but agrees to convey title to the buyer when he has paid a specified amount upon the purchase price.

The rate of interest specified in a purchase-money mortgage or real-estate contract to be paid by the buyer upon the unpaid portion of the purchase price may be 5 percent a year or higher. The bill as amended by the Senate would provide a 4-percent rate for these real-estate purchase obligations during the period from July 1, 1942, until July 1, 1944. Under the present law there is not a reduced rate which applies to purchase-money mortgages or real-estate sales contracts held by the Federal Farm Mortgage Corporation or to real-estate sales contracts held by the Federal land banks, although the 3½-percent rate applies to purchase-money mortgages held by the bank. These amendments would place all of these purchase obligations on the same bases, and, in providing a 4-per-

cent rate for them, would place them on the same basis, so far as interest rates are concerned, as are direct borrowers from the Federal land banks, who under the present law also pay a 4-percent rate.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. FULMER. I yield.

Mr. MICHENER. Does this amendment meet with the approval of the entire Agriculture Committee of the House?

Mr. FULMER. That is right; also, the conferees on the part of the House and the Senate are unanimously for it.

Mr. MICHENER. The gentleman from Kansas is here. I wonder if the gentleman would yield to him.

Mr. FULMER. Certainly.

Mr. HOPE. I may say that I think the amendment is very desirable. It offers the benefits of the reduced rate of interest to purchase-money mortgagors and holders of contracts of sale where lands have been purchased from the Federal land bank. It provides that the reduced rate shall not be $3\frac{1}{2}$ percent but 4 percent, which is in harmony with other provisions of farm-credit legislation. Under existing law, where the loan is made directly instead of through a farm-loan association, the rate of interest is one-half of 1 percent higher than the regular rate. The conferees felt that the same distinction should be made here.

Mr. COCHRAN. Mr. Speaker, reserving the right to object, and it is not my purpose to object, but I feel that at this period of the session when we are in no hurry, when there is no emergency, the least we can do is to abide by the rules of the House, print conference reports in the RECORD, and not attempt to call them up until the following day so Members may have an opportunity to learn what is in the conference report. This conference report is just submitted: it has not been printed, and there are Members of this House other than the conferees, who might be interested, but they do not know what the conference report contains. I think that the proper way is to follow the rules, print the conference report in the RECORD and not call it up until some succeeding day, rather than to call it up at the time the conference report is submitted. At the end of the session it would be all right to call a conference report up immediately, or it would be all right to do so if there were an emergency, but there is no emergency in connection with this legislation.

Mr. FULMER. I may state to the gentleman that this act expires on the 30th day of this month, and we are desirous of securing final passage at the earliest date possible.

Mr. COCHRAN. But that leaves 22 days.

Mr. FULMER. It will take only a few minutes to dispose of and it has the unanimous support of the conferees, both the Senate and the House.

Mr. COCHRAN. But there is somebody else in the House of Representatives besides the conferees who have an equal responsibility.

Mr. FULMER. I appreciate that.

Mr. COCHRAN. Inasmuch as the gentleman has 22 days before the law expires I think he has ample time to print the conference report in the RECORD and let it be called up tomorrow; then we would all know more about the matter and if there is anything in the conference report that is objectionable we could oppose it. That is the point I make. Not only in reference to this report but all conference reports.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The conference report was agreed to. A motion to reconsider was laid on the table.

CONTINUANCE OF FEDERAL SURPLUS COMMODITIES CORPORATION

Mr. FULMER. Mr. Speaker, I call up House Joint Resolution 311, and ask unanimous consent for its immediate consideration.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the Federal Surplus Commodities Corporation is hereby continued as an agency of the United States, under the direction of the Secretary of Agriculture, until the Congress shall otherwise direct.

With the following committee amendment:

Page 1, line 5, strike out "the Congress shall otherwise direct" and insert in lieu thereof "June 30, 1947."

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. FULMER]?

Mr. MICHENER. Mr. Speaker, reserving the right to object, is this the same bill that was on the calendar the other day to which the gentleman from Michigan [Mr. WOLCOTT], one of the objectors, did object?

Mr. FULMER. The gentleman is correct. The gentleman from Michigan stated at that time he had not had a chance to look over the report and that he would be glad to do so and report to me. The next day he came over and stated that it was perfectly all right with him and that he had no objection.

This bill was reported unanimously by the committee. This corporation will expire on the 20th of this month and is now in the midst of transactions in connection with our lend-lease operations and the war effort, as well as the farm program, and it is very necessary that we get this bill through so that the corporation can continue its splendid work.

Mr. SABATH. Mr. Speaker, reserving the right to object, I notice this has been extended to 1947. In all other cases we have extended the life of these various corporations and activities for 2 years. Why is it necessary to extend this for 5 years up to 1947? What will the extension do and what additional power does it give the Corporation?

Mr. FULMER. May I say to the gentleman that the committee talked this over and came to the conclusion that during the war emergency at least 5 years would be a proper period. The bill was introduced without any limit whatsoever, but the committee cut it down to 5 years

to be sure that it would operate within the time of the war and perhaps the emergency following the war. This does not carry an appropriation of any kind and, as stated a while ago, it is very necessary to extend the life of the Corporation in connection with operations under the lend-lease bill.

Mr. CRAWFORD. Mr. Speaker, reserving the right to object, I should like to ask the gentleman a question. In view of his statement to the effect this Corporation is conducting purchases for export under lend-lease, may I ask the gentleman if he has had any report submitted to him showing the extent to which the Surplus Marketing Corporation is going to go in taking food out of this country, not only for lend-lease operations but for shipment to all other parts of the world during the post-war period? In other words, is the distinguished gentleman, the chairman of the Committee on Agriculture, and his committee making a study as to the shortage of food that may develop in this country due to the program which we are now proceeding under, namely, to remove hunger from the other parts of the world without first taking care of the situation in the United States?

Mr. FULMER. May I say to the gentleman that we have not had any reports along that line except it was stated that they are proposing in connection with the surpluses of this country to utilize some of these in connection with lend-lease operations and to look into the matter of getting any other products that they may need under the program so as to be helpful along that line.

Mr. CRAWFORD. What I am thinking about mostly right now is the enormous amount of publicity that has been given the last 10 days to the proposal of Vice President Wallace, to the proposal of Under Secretary of State Welles, Secretary Wickard, and to other proposals, along the line of those broadcast last night over the radio on the Forum of the Air conducted by Mr. Theodore Granik, wherein it is proposed to take the food of this country to all other parts of the world to the point of removing hunger from those other countries. That is a pretty big undertaking and something we have not yet been able to do in the United States, to say nothing about all the other parts of the world. I just thought I would bring that up at this time to see if the Committee on Agriculture has made or is making a study of that program which is now being prosecuted so aggressively by the post-war planners, let me say, for the lack of another name.

Mr. FULMER. That is a very important matter and I feel sure the Secretary of Agriculture, those at the head of this Corporation, and those connected with the war program will try to keep well posted. In the meantime I agree it would be well for our committee to look into the matter.

Mr. RICH. Mr. Speaker, reserving the right to object, may I ask the gentleman this question: In connection with these foodstuffs that are being sent under lease-lend, as it were, does the gentleman

the Committee on the Judiciary be discharged from the further consideration of the bill and that it be referred to the Committee on Interstate Commerce.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

EXTENSION OF REDUCED INTEREST RATES ON FEDERAL LAND-BANK AND LAND BANK COMMISSIONER LOANS—CONFERENCE REPORT

Mr. CLARK of Idaho submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6315) to extend for 2 additional years the reduced rates of interest on Federal land-bank and Land Bank Commissioner loans, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate; and agree to the same.

J. H. BANKHEAD,
CLYDE HERRING,
D. WORTH CLARK,

Managers on the part of the Senate.

H. P. FULMER,
JOHN W. FLANNAGAN, Jr.,
WALTER M. PIERCE,
CLIFFORD R. HOPE,
J. ROLAND KINZER,

Managers on the part of the House.

The report was agreed to.

CIVILIAN WAR BENEFITS

Mr. PEPPER. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1492, Senate bill 2412, a bill to provide benefits for the injury, disability, death, or enemy detention of civilians, and for the prevention and relief of civilian distress arising out of the present war, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Florida.

Mr. TAFT. Mr. President, I assume the motion is debatable.

The VICE PRESIDENT. A motion to proceed to the consideration of a measure during the morning hour is not debatable.

Mr. TAFT. I understood it was open to debate.

The VICE PRESIDENT. After the bill has been taken up it will be open to debate.

Mr. TAFT. Surely we can debate the question whether a bill should be taken up or not taken up.

The VICE PRESIDENT. Not during the morning hour.

Mr. TAFT. I understood the Chair to state the morning hour had been concluded.

The VICE PRESIDENT. The routine morning business has been concluded, but the morning hour has not yet been concluded. The morning hour will continue until 2 o'clock.

The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2412) to provide benefits for the injury, disability, death, or enemy detention of civilians, and for the prevention and re-

lief of civilian distress arising out of the present war, and for other purposes, which had been reported from the Committee on Education and Labor with an amendment.

FAMILY ALLOWANCES FOR THE DEPENDENTS OF CERTAIN ENLISTED PERSONNEL—CORRECTION IN ENROLLMENT

The VICE PRESIDENT laid before the Senate House Concurrent Resolution 71, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Secretary of the Senate is authorized and directed, in enrolling the bill (S. 2467) to provide family allowances for the dependents of enlisted men of the Army, Navy, Marine Corps, and Coast Guard of the United States, and for other purposes, to make the following necessary change in the language of the bill:

In section 107, strike out the words "the first day of the first calendar month following the date of enactment of this act" and in lieu thereof insert "June 1, 1942."

Mr. JOHNSON of Colorado. Mr. President, I move that the Senate proceed to the immediate consideration of House Concurrent Resolution 71.

The purpose of this concurrent resolution is to authorize the Secretary of the Senate to make a clerical correction in enrolling the bill (S. 2467) to provide family allowances for the dependents of enlisted men of the Army, Navy, Marine Corps, and Coast Guard of the United States, and for other purposes.

The conference agreement provides that the period for which allowances are payable should begin with June 1, 1942. It is necessary to change one of the dates mentioned in section 107 of the conference report to June 1, 1942, in order that this section may be consistent with the other provisions of the bill on this point.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Colorado.

Mr. TAFT. Mr. President, I desire to discuss the concurrent resolution.

The VICE PRESIDENT. The Senator from Ohio is recognized.

Mr. HILL. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HILL. As I understand, the bill of the Senator from Florida was made the pending order of business. Is that not correct?

The VICE PRESIDENT. That is correct. The Chair then laid before the Senate a privileged matter from the House of Representatives.

Mr. PEPPER. Mr. President—

Mr. TAFT. I yield to the Senator from Florida.

Mr. PEPPER. As I understand, Senate bill 2412, Calendar No. 1492, is the pending business. The motion that the Senate proceed to its consideration was agreed to.

The VICE PRESIDENT. The consideration of the bill is suspended for the moment for the consideration of a privileged matter.

Mr. PEPPER. That is what I understood. I merely desired to ask Senators if they would be good enough, when these other matters shall have been disposed of, to let me make a statement about the

bill, then that any amendments Senators desire to offer may be offered, or the bill considered in detail. I make this statement because I agreed that I would yield to the Senator from Missouri [Mr. Truman], who desired to make a report to the Senate.

The VICE PRESIDENT. The Senator from Ohio has the floor.

ADDITIONAL NAVAL APPROPRIATIONS

Mr. McKELLAR. Mr. President, will the Senator from Ohio yield to me?

Mr. TAFT. I yield.

Mr. McKELLAR. I understand there is on the President's desk a message from the House of Representatives relating to House bill 7182. I ask the Chair to lay the message before the Senate so that I may make a motion in regard to it.

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 7182, which was read, as follows:

*IN THE HOUSE OF REPRESENTATIVES,
June 15, 1942.*

Resolved, That the House agree to the amendments of the Senate Nos. 1, 2, 3, 4, 5, 8, 9, 10, and 11 to the bill (H. R. 7182) making additional appropriations for the Navy Department and the naval service for the fiscal years ending June 30, 1941, 1942, and 1943, and for other purposes; and

That the House agree to the amendment of the Senate numbered 6 to said bill with an amendment as follows: In lieu of the matter stricken out by said amendment insert "not to exceed 1,000,000"; and

That the House disagree to the amendment of the Senate No. 7 to said bill.

Mr. McKELLAR. Mr. President, the House has agreed to all the amendments of the Senate except amendments numbered 6 and 7. In the bill there was authorization for the building of 500,000 tons of auxiliary shipping. The House changed that to 1,000,000 tons. The bill makes supplemental appropriation for the Navy. The only difference between the action of the Senate and the action of the House is the difference between the authorization of 500,000 tons of auxiliary shipping and 1,000,000 tons of auxiliary shipping.

Mr. President, I now move that the Senate recede from its amendment numbered 7, and that the Senate concur in the amendment of the House to the amendment of the Senate numbered 6.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

POSTAGE RATE ON BOOKS

Mr. McKELLAR. Mr. President, will the Senator from Ohio yield so that I may ask to have conferees appointed on the part of the Senate with respect to Senate bill 337?

Mr. TAFT. I yield.

Mr. McKELLAR. I ask the Chair to lay before the Senate a message from the House with respect to that bill.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 337) to provide for a permanent postage rate of 1½ cents per pound on books.

Mr. McKELLAR. Mr. President, I move that the Senate insist on its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

Mr. McNARY. Mr. President, we are operating in a very disorderly fashion. One Senator obtains the floor and then proceeds to farm it out to various Senators. The Senator from Ohio yields in order that action may be taken on conference reports and then loses the floor. If he yields for any further business to be transacted, I shall make the point that he thereby loses the floor. He should proceed to make the statement he was about to make. Conference reports should come up in order, so that we may have some form or some attempt to follow a plan which is logical with respect to our legislation.

Mr. McKELLAR. If the Senator from Ohio will further yield to me, I wish to say to the Senator from Oregon that it is very necessary that the bill be passed and out of the way before the 1st of July, because the law with which it deals expires the 1st of July.

Mr. McNARY. I understand that. Everything is necessary. Everything has priority. Everyone is anxious to have legislation completed by the 1st of July. But this matter is not so important that it cannot wait 15 or 20 minutes.

Mr. McKELLAR. Very well.

Mr. McNARY subsequently said: Mr. President, in the absence of the able Senator from Tennessee [Mr. McKELLAR], I move that the Senate disagree to the House amendments to Senate bill 337, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Vice President appointed Mr. McKELLAR, Mr. HAYDEN, Mr. BAILEY, Mr. DAVIS, and Mr. REED conferees on the part of the Senate.

FAMILY ALLOWANCES FOR THE DEPENDENTS OF CERTAIN ENLISTED PERSONNEL—CORRECTION IN ENROLLMENT

Mr. TAFT. Mr. President, the concurrent resolution before the Senate is to complete legislation on the bill with reference to the making of allowances for the dependents of enlisted men, and I desire to make a statement with respect to that bill.

In March of this year I introduced the first bill to provide allowances for dependents of enlisted men. This bill was not intended, as some of the newspaper editors seemed to think, to make it possible to draft men with dependents, but to relieve hardship in hundreds of cases where for one reason or another men with dependents had already been drafted. Later, when it became apparent that the administration intended to draft men with dependents, I introduced a bill to provide definite classifications among men having dependents. I realized that there was some objection to permanent legislative classifications, and I therefore supported the bill which gave authority to make these classifications to

the President. I wish to urge that the President and the Selective Service Director proceed immediately to break up class III-A into four or five different groups in order that hardship may be avoided, and a reasonable stability brought about in the manpower available for our Army and Navy.

Ten thousand men a day are now being inducted into service; 300,000 men a month will be inducted during the months of June, July, and August. It is essential that whatever system is adopted be adopted immediately.

We have registered today more than 26,000,000 men. If we add to this number those who become 20 in 1942 and 1943 we will have available before the end of 1943 approximately 28,400,000 men. I ask unanimous consent to have printed in the RECORD, at the end of my remarks, as exhibit A, a table showing the estimate of total manpower available. The table also shows the number available if boys of 19 should be drafted.

THE VICE PRESIDENT. Without objection, it is so ordered. (See exhibit A.)

Mr. TAFT. Mr. President, it is likely that in order to carry to its conclusion an all-out war against Germany and Japan it will be necessary to have 10,000,000 men in the armed forces, including the Army, Navy, Marine Corps, and the Air Forces. Already the Army has set a goal of 4,500,000 men for this year, and there will be approximately 1,000,000 men in the Navy. If we take another 2,500,000 in 1943 and 2,000,000 in 1944 it will make a total of 10,000,000.

On the other hand, this is only about one-third of the registration by the end of 1943. The other two-thirds will be available for essential duty at home, and it will not be long before all civilian activity will be essential activity. An analysis of the classifications shows that simple financial dependency in and of itself cannot much longer be a cause for deferment. If the entire 17,000,000 men who have deferments in this registration group are thrown in at the same time, however, and drafted strictly by law according to their order numbers, there will not only be great hardship to many men and many families, but the Army will get many more older men included in the registration up to 45 years of age, and will not get nearly the proportion of younger men which they consider necessary and desirable.

In common with other Senators I have received many complaints of unjust discrimination inherent in the present system. As long as dependency is the sole test there is a wide difference among different boards as to what constitutes dependency. Some boards hold that no wife is dependent if she is physically able to work. Other boards hold that all wives are dependent. Other boards base the classification on the question whether the wife is actually working or has worked before marriage. Wives who have not been dependent become dependent through the arrival of children. It seems far better to base the classification on the age and family status of each man than on the elusive quality of dependency, subject always to the board's authority to

deal with special hardship cases of dependency.

I have serious complaint today of the fact that many older family men are being drafted. I received a letter recently from a man 33 years of age, with a wife and three children, drafted this month because he has been reasonably successful and has acquired enough property to give him an income of \$100 a month outside of his salary. I do not think such a man should be drafted as against another man who has spent everything he has made during the first 10 years of his married life, or as against a boy of 21 who assists the support of a father, and I doubt if he ought to be drafted before a boy of 19 is drafted. The carrying on of essential civilian activity is of the greatest importance. Men over 30 have usually risen in their industry or profession to a position where they are more important than the younger men. At the same time they are less able to endure the hardships of active service. It seems far better to recognize that their best service to their country and to their family is at home in their established occupation.

At the same time we will have to consider shortly the question of drafting boys 19 years old and 18 years old. Many boys of this age have already volunteered. We should decide, and decide deliberately and intelligently, whether boys of 19 should be taken before men more than 30 years of age with families. We should also decide whether volunteering should longer be allowed. It was not allowed near the end of the World War and it is contrary to the basic theory of the Selective Service Act. If a young man can serve his country best in an industrial position, he ought to be required to stay where he is of most value.

In order to make such a decision it is essential that we have estimates of the number of men available in different dependency groups and age groups. I have worked with the officials of the Selective Service System, and intend to present for the RECORD a little later—they are too complicated to read—some very rough estimates upon which an intelligent conclusion can be based.

As a result of this investigation I wish to make a definite suggestion, and express the hope that the Selective Service Director will see fit to adopt it. This is my proposal:

First. Reclassify all those married before the draft law who are now living with wife or children into class III.

Second. Divide class III into the following subclasses and provide that no subclass shall be drafted until substantially all of the previous class have been exhausted:

(A) Those without wife and children but with class B dependents (parents, minor sisters and brothers, and so forth) who registered prior to 1942 and are, therefore, under approximately 37 years of age, except cases of exceptional dependency requirements.

(B) Those living with wife but without children who registered prior to 1942 and are, therefore, under approximately 37 years of age, except cases of exceptional dependency requirements.

[PUBLIC LAW 629—77TH CONGRESS]

[CHAPTER 449—2D SESSION]

[H. R. 6315]

AN ACT

To extend for two additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of paragraph Twelfth of section 12 of the Federal Farm Loan Act, as amended (relating to the 3½-per-centum-interest rate on Federal land bank loans), is amended by striking out "occurring within a period of seven years commencing July 1, 1935" and inserting in lieu thereof "occurring within a period of nine years commencing July 1, 1935".

(b) Said paragraph Twelfth, as amended, is further amended by inserting immediately following the second sentence of said paragraph the following: "The foregoing provisions shall also apply to interest on so-called purchase-money mortgages and on real estate sales contracts taken by the Federal land banks which is payable on installment dates occurring after June 30, 1942, except that in the case of such mortgages and contracts the rate of interest shall be one-half of 1 per centum per annum in excess of the rate paid by borrowers on mortgage loans made through national farm loan associations."

(c) The fourth sentence of said paragraph Twelfth (relating to the 1942 time limit on payments made by the United States to land banks on account of such interest reduction), is amended to read as follows: "No payments shall be made to a bank with respect to any period after June 30, 1944."

SEC. 2. The last paragraph of section 32 of the Emergency Farm Mortgage Act of 1933, as amended (relating to reduction in the interest rate on loans by the Land Bank Commissioner), is amended to read as follows: "Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940, and shall not exceed 3½ per centum per annum for all interest payable on installment dates occurring on or after July 1, 1940, and prior to July 1, 1944. Notwithstanding the interest rate provided for in so-called purchase-money mortgages and real estate sales contracts taken by the Federal Farm Mortgage Corporation, the rate of interest payable on such mortgages and contracts shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on and after July 1, 1942, and prior to July 1, 1944."

Approved, June 27, 1942.

